

LEG. FINANCE - BILLS 1977 - 1978 682

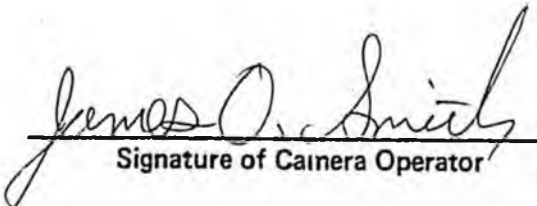
HB 201 thru HB 202

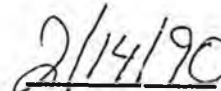


# RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

  
Signature of Camera Operator

  
Date

THE LEGISLATURE OF THE STATE OF ALASKA--  
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS for House Bill No. 201  
 Title An Act relating to a contest among school children to name the new capi-  
 Requested by The State Affairs Committee Date 1-25-78 tal city

II. FISCAL DETAIL

Agency Affected Office of the Governor  
 Program Category Affected Office of the Lieutenant Governor  
 Budget Request Unit(s) Affected Office of the Lieutenant Governor

EXPENDITURES (Thousands of Dollars)

	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
100 PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
200 TRAVEL	3.0	3.6	-0-	-0-	-0-	-0-
300 CONTRACTUAL	5.0	1.1	-0-	-0-	-0-	-0-
400 COMMODITIES	.4	.1	-0-	-0-	-0-	-0-
500 EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>	<b>8.4</b>	<b>4.8</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

FUNDING (Thousands of Dollars)

GENERAL FUND	8.4	4.8				
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS None

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III) (Also see attached)

ASSUMPTIONS:

1. The only additional costs to the Lt. Governor's Office will be for travel, contractual and commodities (split between FY 78 and FY 79).
2. Locations were arbitrarily chosen in the four judicial districts from which the five members would be selected (for travel estimation purposes)--Ketchikan, Nome, Anchorage, Fairbanks and Juneau.
3. Four meetings would be held (at the max.)--two in FY 78; two in FY 79.
4. Meetings would be held in Anchorage and Juneau (two in each location).
5. Contest publicity includes letters to school children (550 schools), state-wide radio spots, newspaper advertisements.
6. Final award presentation would be in Juneau--State provides travel and per diem for contest winner in addition to the \$1000 scholarship.

IV. DATE January 31, 1978 PREPARED BY Danith Anderson *Danith Anderson*  
 AGENCY Office of the Lieutenant Governor  
 PHONE 465-3520

Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

CSHB 201

	FY 78	FY 79
TRAVEL (200)		
(241) In-State transportation		
Rd. trip air fare:		
1st meeting: Ketchikan/Anchorage	211.83	
Nome/Anchorage	191.01	
Fairbanks/Anchorage	97.26	
Juneau/Anchorage	<u>163.02</u>	
	663.12	
2nd meeting: Ketchikan/Juneau	90.88	
Nome/Juneau	319.83	
Anchorage/Juneau	163.02	
Fairbanks/Juneau	<u>194.84</u>	
	768.57	
Total of 1st and 2nd meetings	1431.69	
3% inflation for increasing air fares	<u>42.95</u>	
TOTAL for FY 78	1474.64	
3rd and 4th meetings--same locations and cost as first two meetings		
TOTAL for FY 79		1474.64
(242) In-State per diem		
Two meetings per fiscal year x five members x 3 days/meeting x \$50/day	1500.00	1500.00
(291) Non-employee travel (one-time cost for winner to Juneau)		400.00
(292-293) Per diem and other costs for contest winner		200.00
TOTAL TRAVEL	<u>2974.64</u>	<u>3574.64</u>



House Finance CS should  
change in Sec 44.06.290. MEETINGS:

"comission" to  
~~general~~  
committee

l. 22

l. 24 - twice

HB 201

# COMMITTEE REPORT

## HOUSE

1/25/78

FURTHER: \_\_\_\_\_  
\_\_\_\_\_

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

Mr. Speaker:

The Committee on FINANCE has had HB 201

(An Act relating to a contest among school children to name the new capital city; effective date)

under consideration and (a majority of the committee) (the committee reports it back as follows)

- recommends it do pass                       recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for \_\_\_\_\_

and \_\_\_\_\_  new title       same title

- AND attaches a Letter of Intent                       New Fiscal Note
- reports it back without recommendation
- and recommends it be referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING DO PASS:

OTHER RECOMMENDATIONS:

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\_\_\_\_\_  
Chairman

"An Act relating to a contest among school children to name the new capital city; and providing for an effective date."

# COMMITTEE REPORT

2-10-77

## HOUSE

## FINANCE

13 JANUARY 1978 Date

Mr. Speaker:

The Committee on STATE AFFAIRS has had HB 201 under consideration. <sup>and</sup> ~~A majority~~ of the members of the Committee

- recommends it do pass
- recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for HB 201 (same title) and that CS for HB 201 <sup>be reported out w/ind. recs.</sup> ~~do pass and~~
- (and) recommends it be referred to the \_\_\_\_\_ committee
- reports it back without recommendation
- AND attaches a report of its intent
- (other) \_\_\_\_\_

### MEMBERS SIGNING THE MAJORITY REPORT:

Earl W. Kethin - do pass \_\_\_\_\_

Danbe worth Do Pass \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

### MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

A.S. Bradley recommends: No Rec.

Joe McKinnon recommends: No Rec.

[Signature] recommends: NO REC

A.S. Bradley  
Chairman

3327  
Vaccor

Original sponsors: Hayes, Dankworth,  
Lethin and Miles

Offered: 1/25/78  
Referred: Finance

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO. 201

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to a contest among school children to  
7 name the new capital city; and providing for an effec-  
8 tive date."

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

10 \* Section 1. AS 44.06 is amended by adding new sections to read:

11 ARTICLE 4. CAPITAL CITY NAME CONTEST.

12 Sec. 44.06.270. CAPITAL CITY NAME CONTEST COMMITTEE. There is  
13 created in the Office of the Governor the Capital City Name Contest  
14 Committee.

15 Sec. 44.06.280. MEMBERSHIP. Within 30 days after the effective  
16 date of this Act, the governor shall appoint a five-member Capital City  
17 Name Contest Committee composed of one member from each of the four  
18 state judicial districts and the fifth member from the State Geographic  
19 Board.

20 Sec. 44.06.290. MEETINGS. The members shall elect a chairman from  
21 among their membership. The governor shall call the first meeting of  
22 the commission within 30 days after appointment of the members. A  
23 majority of the members constitutes a quorum for conducting business and  
24 exercising the powers of the commission. The commission shall meet at  
25 the call of the chairman, at the request of a majority of the members,  
26 or at regularly scheduled meetings.

27 Sec. 44.06.300. PURPOSE OF THE COMMITTEE. The purpose of the  
28 committee is to organize and conduct the capital city name contest in  
29 accordance with sec. 320 of this chapter.

1           Sec. 44.06.310. POWERS OF THE COMMITTEE. The committee shall have  
2 those powers reasonably necessary to publicize, coordinate and conduct  
3 the contest.

4           Sec. 44.06.320. CAPITAL CITY NAME CONTEST. It is the purpose of  
5 the capital city name contest to provide a method of naming the new  
6 capital city similar to the method used in 1927 to design the Alaska  
7 state flag. The contest is open to all school children attending grades  
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14 election a scholarship in the amount of \$1,000. If more than one en-  
15 trant submits the winning name, the scholarship money shall be divided  
16 evenly among those entrants.

17           Sec. 44.06.330. LIMITATION ON SELECTION OF NAME. No name may be  
18 selected by the committee for placement on the general election ballot  
19 which is the name of any city, borough, or village in the state.

20 \* Sec. 2. AS 44.06.170 is repealed.

21 \* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-

22 070(c).  
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24  
25  
26  
27  
28  
29

Introduced: 2/10/77  
Referred: State Affairs and  
Finance

3327  
Vassar

BY HAYES, DANKWORTH, LETHIN  
AND MILES  
BY HAYES

1 IN THE HOUSE

2 HOUSE BILL NO. 201

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to a contest among school children to  
7 name the new capital city; and providing for an effec-  
8 tive date."

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

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11 ARTICLE 3. CAPITAL CITY NAME CONTEST.

12 Sec. 44.06.200. CAPITAL CITY NAME CONTEST COMMITTEE. There is  
13 created in the Office of the Governor the Capital City Name Contest  
14 Committee.

15 Sec. 44.06.210. MEMBERSHIP. Within 60 days after the effective  
16 date of this Act, the governor shall appoint a five-member Capital City  
17 Name Contest Committee composed of one member from each of the four  
18 state judicial districts and the fifth member from the State Geographic  
19 Board.

20 Sec. 44.06.220. MEETINGS. The members shall elect a chairman from  
21 among their membership. The governor shall call the first meeting of  
22 the commission within 30 days after appointment of the members. A  
23 majority of the members constitutes a quorum for conducting business and  
24 exercising the powers of the commission. The commission shall meet at  
25 the call of the chairman, at the request of a majority of the members,  
26 or at regularly scheduled meetings.

27 Sec. 44.06.230. PURPOSE OF THE COMMITTEE. The purpose of the  
28 committee is to organize and conduct the capital city name contest in  
29 accordance with sec. 250 of this chapter.

1           Sec. 44.06.240. POWERS OF THE COMMITTEE. The committee shall have  
2 those powers reasonably necessary to publicize, coordinate and conduct  
3 the contest.

4           Sec. 44.06.250. CAPITAL CITY NAME CONTEST. It is the purpose of  
5 the capital city name contest to provide a method of naming the new  
6 capital city similar to the method used in 1927 to design the Alaska  
7 state flag. The contest is open to all school children attending grades  
8 kindergarten through 12 in public or private schools in Alaska. The  
9 Capital City Name Contest Committee shall judge the entries and select  
10 three finalist names. The three finalist names shall be placed on the  
11 next general election ballot along with a brief statement by the commit-  
12 tee explaining why each name was chosen. The committee shall award the  
13 entrant whose capital city name is selected by the voters at the general  
14 election a scholarship in the amount of \$500.

15 \* Sec. 2. AS 44.06.170 is repealed.

16 \* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-  
17 070(c).

ALASKA STATE LEGISLATURE

TENTH Legislature FIRST Session

HOUSE BILL NO. 201

By HAYES, DANKWORTH, LETHIN AND MILES

"An Act relating to a contest among school children to name the new capital city; and providing for an effective date."

Contest name new capital city

Introduced in the House 2-10, 1977

HISTORY IN THE HOUSE

19 77  
Feb. 10

Read first time and referred to Committee on

State Affairs and Finance

Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed

Signed by Speaker

Sent to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed

Signed by President

Returned to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Received from Senate

Concurred in Senate amendment thus adopting:

Failed to concur in Senate amendment; asked Sen. to recede

Senate receded from amendment

Senate failed to recede from amendment

FCC appointed by House

FCC appointed by Senate

FCC adopted

To enrolling

Reported correctly enrolled

Sent to Governor

..... by Governor

Filed with Lt. Governor

Chapter No. ....

Original sponsors: Hayes, Dankworth,  
Lethin and Miles

Offered: 1/25/78  
Referred: Finance

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO. 201

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4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

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11 ARTICLE 4. CAPITAL CITY NAME CONTEST.

12 Sec. 44.06.270. CAPITAL CITY NAME CONTEST COMMITTEE. There is  
13 created in the Office of the Governor the Capital City Name Contest  
14 Committee.

15 Sec. 44.06.280. MEMBERSHIP. Within 30 days after the effective  
16 date of this Act, the governor shall appoint a five-member Capital City  
17 Name Contest Committee composed of one member from each of the four  
18 state judicial districts and the fifth member from the State Geographic  
19 Board.

20 Sec. 44.06.290. MEETINGS. The members shall elect a chairman from  
21 among their membership. The governor shall call the first meeting of  
22 the commission within 30 days after appointment of the members. A  
23 majority of the members constitutes a quorum for conducting business and  
24 exercising the powers of the commission. The commission shall meet at  
25 the call of the chairman, at the request of a majority of the members,  
26 or at regularly scheduled meetings.

27 Sec. 44.06.300. PURPOSE OF THE COMMITTEE. The purpose of the  
28 committee is to organize and conduct the capital city name contest in  
29 accordance with sec. 320 of this chapter.

1           Sec. 44.06.310. POWERS OF THE COMMITTEE. The committee shall have  
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14 election a scholarship in the amount of \$1,000. If more than one en-  
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17           Sec. 44.06.330. LIMITATION ON SELECTION OF NAME. No name may be  
18 selected by the committee for placement on the general election ballot  
19 which is the name of any city, borough, or village in the state.

20 \* Sec. 2. AS 44.06.170 is repealed.

21 \* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-  
22 070(c).

Original sponsors: Hayes, Dankworth,  
Lethin and Miles

Offered: 1/25/78  
Referred: Finance

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BY HAYES, DANKWORTH, LETHIN  
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14 election a scholarship in the amount of \$500.

15 \* Sec. 2. AS 44.06.170 is repealed.

16 \* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-  
17 070(c).

Introduced: 2/10/77  
Referred: State Affairs and  
Finance

BY HAYES, DANKWORTH, LETHIN  
AND MILES

1 IN THE HOUSE

2 HOUSE BILL NO. 201

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to a contest among school children to  
7 name the new capital city; and providing for an effective  
8 date."

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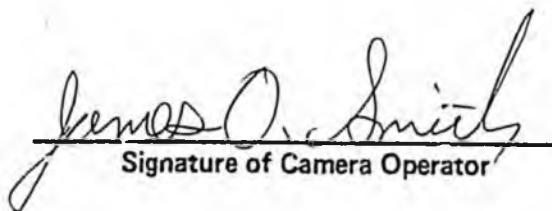
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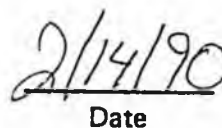


# RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

  
Signature of Camera Operator

  
Date

THE LEGISLATURE OF THE STATE OF ALASKA  
TENTH LEGISLATURE

Revised from 2/24/77

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill No. 202

Title Levy and Collection of Taxes on Developed Land: Unorganized Borough

Requested by Representative Parr Date \_\_\_\_\_

II. FISCAL DETAIL

Agency Affected Community and Regional Affairs

Program Category Affected Development

Budget Request Unit(s) Affected State Assessor 21-73-3-01-16-03

HB 202

EXPENDITURES (Thousands of Dollars)

	*	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
100 PERSONAL SERVICES		490.5	520.4	551.6	584.7	619.8	657.0
200 TRAVEL		89.9	95.4	101.1	107.2	113.6	120.4
300 CONTRACTUAL		687.8	788.8	754.1	159.2	168.8	178.9
400 COMMODITIES		37.0	39.3	16.0	16.0	17.6	18.7
500 EQUIPMENT		44.8	10.0	5.0	5.0	5.5	6.0
600 LAND & STRUCTURES		-0-	-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.		-0-	-0-	-0-	-0-	-0-	-0-
<b>TOTAL</b>		<b>1350.0</b>	<b>1453.9</b>	<b>1427.8</b>	<b>872.1</b>	<b>925.3</b>	<b>981.0</b>
FY 78 - 1/2 yr	*	<b>1104.8</b>					

FUNDING (Thousands of Dollars)

	*	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
GENERAL FUND		*1104.8	1453.9	1427.8	872.1	925.3	981.0
FEDERAL FUNDS							
OTHER (Specify)							

POSITIONS

	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
FULL TIME	18	18	18	18	18	18
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

- \*assessment date January 1, 1980 (Amendment necessary)
- The estimated tax base for the unorganized borough is based on known taxable property values, parcels per capita and average per parcel valuation within home rule and first class municipalities as of January 1, 1977.
- Estimated tax base is discounted 20% to reflect the unimproved property exclusion.  
(503,003,120 = 628,753,900 - 125,750,780)
- Estimated average mill rate for administration of schools within 11 boroughs is 7 mills (7 mills = numerical average 6.11 weighted upward to reflect Anchorage municipality at 8.69 mills.)
- Estimated revenue is based on a 7 mill tax rate times the adjusted tax base  
( $\$3,521,020 = 503,003,120 \times .007$ )

Analysis Continued

IV. DATE March 28, 1978

PREPARED BY Oren Pomeroy

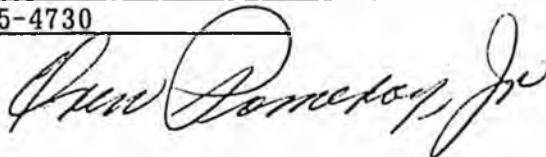
AGENCY Community and Regional Affairs

Original: Legislative Finance

PHONE 465-4730

cc: Budget and Management

Prime Sponsor (First Legislator Named)



House Bill No. 202 requires the state assessor, Department of Community and Regional Affairs to assess all developed real property situated within the unorganized borough including second class cities and deliver an equalized assessment roll to the Department of Revenue who shall be responsible for collection and enforcement of the tax. The Department of Revenue will provide a fiscal note concerning its duties.

Within the time allocated for the study and the limited information available concerning taxable property within the unorganized borough an attempt has been made to estimate the potential tax base and administrative costs which are the responsibilities of this Department.

An estimate with a high degree of accuracy would be possible if an ad valorem tax base study were initiated and funded prior to implementation of House Bill No. 202.

The beginning date of January 1, 1978, provides only months in which to complete an assessment roll. In our opinion the project will require no less than two years to complete. Administrative costs as indicated are based on an assessment levy date of January 1, 1980, rather than January 1, 1978, as stated on page 1, line 13 of the bill.

**BASIS FOR ESTIMATED POTENTIAL REVENUE**

Home Rule and 1st Class Municipalities including 20 2nd Class Cities

Real Property - 1-1-77	6,886,720,100
Number of parcels	181,315
Valuation per parcel	37,985
Population	365,815
Population per parcel	2,018

Unorganized Area including 93 2nd Class Cities

Population July 1, 1977 (Estimated)	32,116
Population per parcel	2,018
Number of parcels	15,915
Valuation per parcel at 80% X Organized	30,390
Real property valuation 1-1-77	483,656,850
Adjusted Tax Base 1-1-80 30% Increase (10% Annually)	628,753,900
Estimated Revenue at 10 mills FY 79 (Real Property)	6,287,540
Unimproved Land Exclusion (-20% of Tax Base)	503,003,120
Average Borough School levy at 7 mills (HB 202)	3,521,020

Program development, implementation, and administration is divided between the Department of Community and Regional Affairs and the department of Revenue.

January 1978

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

4

HB 202

HFC

no hurry

December 1977

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

February 1978

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28			

4/361

Wednesday, January 4

1/4/78

The pilot program will require in-depth research to develop standardized methods, procedures and forms. A professional services fee is included to assist the office staff in completing by June 1980, the required mapping, appraisal, appeal, and delivery to the Department of Revenue the certified 1980 assessment roll, listing all real property taxable under provisions of the bill. The project includes the assembly of all available survey maps, aerial photos; map design and drafting of required area; title search and ownership data, required market and construction cost data; on-site property inspection, enumerating, and grading; office calculations; computer listing of the assessed value of land and improvements according to individual 2nd class cities and regional areas as determined to be appropriate; mailing assessment notices; appeal procedures before the state assessment review board and delivery of an equalized and certified assessment roll to the Department of Revenue.

The State Assessor would be upgraded from range 22 to range 24 and be assigned a secretary. Under direction of the state assessor, the appraiser and mapping supervisors, will develop regulations, forms and procedures. The mapping supervisor will correlate all phases of the mapping project with this staff and a cadastral mapping firm under contract and assume full responsibility for the initial and ongoing land status mapping system. The appraiser supervisor will correlate all phases of the appraisal project with his staff and an appraisal firm under contract and assume full responsibility for property appraisal, appeal, and maintenance of the assessment roll. Under direction of the state assessor the supervisors, staff appraisers, title examiners, draftsmen, and clerks will function as an integrated unit.

The project may be completed with contractual professional fee budget allocations by private, cadastral mapping and appraisal firms under contract or by a combination of departmental staff and private enterprise. The latter is preferred, as initial staff involvement will provide continuity of trained key personnel for subsequent program years administration. The initial two year project costs based on total professional contractual services will add \$133,660 or 10.53% to the FY 78 Fiscal Note estimate, and a comparable amount to the FY 79 estimate.  
(\$1,487,045 = 660,000 + 690.1 X 120%)

Program maintenance reflecting the three year reassessment schedule as outlined on page 2, line 14 of the Bill may result in a 10 to 15 % decrease in administration costs after the two year initial assessment project is completed.  
(FY 81 \$741,288 = 872,104 - 15% (130,816))

Administrative costs as estimated and as supplied by the Department of Revenue for the initial project could be funded in full by enactment of the proposed Real Property Transfer Act (See Appendix G, Alaska Taxable, 1976) with a fee based on 1/2 of 1% of the consideration, estimated to produce \$2,250,000 annually.

Analysis Continued, HB No. 202

Enactment of the proposed Real Property Transfer Act will, in addition to providing full funding for the entire project, decrease by 20% the FY 81 and subsequent years administrative costs, as the cadastral mapping and market data information for all of Alaska will be regularly received, catalogued, and filed in-house by the Department. (FY 81, \$593,030 = \$741,288 - 20% \$148,258)

ADMINISTRATIVE COSTS:

		FY 78	FY 79	FY 80
100 Personal Services				
<u>100 Mapping</u>				
1 mapping supervisor	Range 20 @ 2411	28,932	30,668	32,508
1 title examiner	Range 19 @ 2243	26,916	28,531	30,243
2 title examiners	Range 16 @ 1798	43,152	45,741	48,485
1 draftsman	Range 18 @ 2082	24,984	26,483	28,072
2 draftsmen	Range 16 @ 1798	43,152	45,741	48,485
1 clerk IV	Range 9 @ 1122	13,464	14,272	15,128
1 clerk III	Range 8 @ 1055	12,660	13,420	14,225
Subtotal		193,260	204,856	217,146
Fringe benefits 25.7%		49,668	52,648	55,807
Subtotal Mapping Personnel		242,928	257,504	272,953
 <u>100 Assessment</u>				
state assessor	Range 24 @ 594 (upgrade)	7,128	7,884	8,357
1 appraiser supervisor	Range 20 @ 2411	28,932	30,668	32,508
1 staff appraiser	Range 19 @ 2243	26,916	28,531	30,243
3 staff appraisers	Range 18 @ 2082	74,952	79,449	84,216
1 secretary	Range 10 @ 1194	14,328	15,188	16,099
1 assessment clerk	Range 14 @ 1551	18,612	19,729	20,913
1 clerk IV	Range 9 @ 1122	13,464	14,272	15,128
1 clerk III	Range 8 @ 1055	12,660	13,420	14,225
Subtotal		196,992	209,141	221,689
Fringe benefits 25.7%		50,627	53,750	56,974
Subtotal Assessment Personnel		247,619	262,891	278,663
Subtotal Mapping Personnel		242,928	257,504	272,953
Total Personal Services		490,547	520,395	551,616
 <u>200 Travel and Per Diem</u>				
State Assessor and Supervisors		5,600	5,950	6,300
Title Examiners and Appraisers		76,500	81,100	86,000
Review Board		7,800	8,300	8,800
Total		89,900	95,350	101,100

Analysis Continued, HB No. 202

<u>300 Contractual Services</u>	FY 78	FY 79	FY 80
Telephone and long distance (10 @ 35 + 1/d)	6,000	6,360	6,740
Postage	4,660	4,940	5,235
Printing advertising	6,000	6,360	6,740
Data processing and programming	68,750	106,000	70,000
Machine rental and xeroxing	2,400	2,545	2,695
Office Rent - 1800 sq.ft. @ \$1.35	2,430	2,575	2,730
Professional fees	660,000	660,000	660,000
Total	<u>687,840</u>	<u>788,780</u>	<u>754,140</u>
 <u>400 Commodities</u>			
Reference materials and maps	12,000	12,750	6,000
Office supplies	25,000	26,500	10,000
Total	<u>37,000</u>	<u>39,250</u>	<u>16,000</u>
 <u>500 Equipment</u>			
11 executive desks @ 335	3,685		
11 executive chairs @ 130	1,430		
5 secretarial desks @ 328	1,640		
5 secretarial chairs @ 99	495		
19 desk lamps @ 70	1,330		
3 drafting tables @ 275	825		
3 drafting table equipment @ 210	630		
3 drafting stools @ 130	390		
15 map cabinet flat @ 590	8,850		
25 map cabinet hanging @ 220	5,500		
1 diazo blue line printer @ 1,000	1,000		
25 filing lateral cabinet @ 550	13,750		
8 calculators w/2 memories @ 450	3,600		
5 typewriters @ 792	-780		
5 tables @ 59	295		
8 conference chairs @ 67	550		
Total Equipment	<u>44,750</u>	<u>10,000</u>	<u>5,000</u>
 Total Administration Costs	 1,350,037	 1,453,775	 1,427,856

# CHARLIE PARR

ALASKA LEGISLATURE

S. R. Box 50599  
Fairbanks, Alaska 99701  
456-5020

Pouch V  
Juneau, Alaska 99811  
465-3797

April 19, 1978

Ms. Elizabeth Johnston  
Bristol Bay Native Corporation  
P.O. Box 220  
Anchorage, Alaska 99510

Dear Ms. Johnston:

Representative Nels A. Anderson, Jr. has kindly given me a copy of your letter of March 31 to Representative Lisa Rudd.

Since I am the sponsor of HB 202 some comments may in in order in reply to your remarks on that bill. To deal with your points in order:

1. Your discussion of the virtues of real property taxes is highly simplified, if not simplistic. You set up straw men, then demolish them.

a. The "seventy-five percent" (of the Legislature) which "is elected by persons not subject to the tax" is the same seventy-five percent which consistently funds the schools in the untaxed areas of the state.

b. Your logic escapes me. The legislature can't give the exemption in the unorganized borough unless it's being given in first-class cities? Try reading the parable of the workers in the vineyard.

c. I don't know if you have worked in property assessing-I did for a while, and can say only that you're wrong. True, there won't be a lot of revenue for the first two years or so, but then the program will more than pay for itself.

2. You appear to be making an argument against real property taxes in general, and much of what you say would apply to such taxes in the organized cities and boroughs as well. Is it your argument that they should be abolished? If so, in favor of...?

a. Sales taxes are even more regressive...

b. All taxes do this. Your point about subsistence and development isn't very clear, unless you are opposing

Ms. Elizabeth Johnston

pg. - 2 -

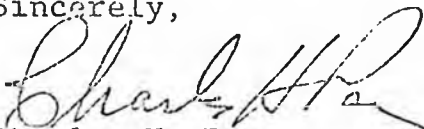
a subsidy for development (i.e., a tax exemption).

The latter part of your letter is addressed by the enclosed memorandum from Mr. Bradley.

Finally, Ms. Johnston, one point which your letter ignores. A lot of people in the unorganized borough are getting a free ride, and a significant percentage don't need it. Tell me why the owner of a \$400,000 lodge in Tok pays no property taxes, while one in Fairbanks North Star Borough does—

Because of this free ride, my constituents are paying more than their share. These are the simple facts of the case.

Sincerely,



Charles H. Parr

CHP:sg

cc: Representative Lisa Rudd  
Representative Nels A. Anderson, Jr.

STATE OF ALASKA  
THE LEGISLATURE

POUCH Y - STATE CAPITOL  
JUNEAU, ALASKA 99811  
907 485 2800


LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

April 17, 1978

SUBJECT: HB 202; Comment on letter to Representative  
Rudd from general counsel of Bristol Bay  
Native Corporation. (Work Order No. 5357)

TO: Representative Charles H. Parr

FROM: Richard A. Bradley   
Legislative Counsel

You have provided me with a copy of a letter to Representative Lisa Rudd from Elizabeth Johnston, General Counsel of the Bristol Bay Native Corporation, dated March 31, 1978.

You ask that I comment on two questions.

Ms. Johnston's first question arises under section 21(d) of the Settlement Act. She notes that certain protections are given to the lands conveyed to Native Corporations. Because the language of the section is significant, it is useful to set out the material language:

Real property interests conveyed pursuant to this Act, to a Native individual, Native group, or Village or Regional Corporation which are not developed or leased to third parties, shall be exempt from State or local real property taxes for a period of twenty years after the date of enactment of this Act [December 18, 1971]: Provided, That municipal taxes, local real property taxes, or local assessments may be imposed upon leased or developed real property within the jurisdiction of any governmental unit under the laws of the State: ...

The language of HB 202 [and SB 35] exempts "unimproved land." Both Jack Chenoweth [the drafter of SB 35] and I appear to conclude that the phrase "unimproved land" is the opposite of the phrase in §21(d) prohibiting taxes on "leased or developed real property."

Representative Charles H. Parr  
Page 2  
April 18, 1978

In my opinion, the judgment is completely proper; if anything, the phrase is quite conservative since lands subject to a leasehold interest without development, while taxable under the Federal law, do not become taxable under either HB 202 or SB 35 until they are "improved."

In my opinion, the phrase "leased or developed" need not be used in state legislation for it to be effective and the words actually used are effective and within the authority allowed to the legislature under the Settlement Act.

Ms. Johnston then asks whether the legislature, when it acts as a borough assembly, is imposing a "state or a local tax." The distinction is not significant although section 21(d) could well have been written with more precision.

- (1) The first sentence of §21(d) exempts the property "from state or local property taxes" if it is not "developed or leased to third parties..."
- (2) The first proviso allows "municipal taxes, local real property taxes, or local assessments on leased or developed real property within the jurisdiction of any governmental unit under the laws of the state:..."
- (3) The second proviso allows taxation of "leaseholds, and similar interests in such real property" "in accordance with state or local law."
- (4) The second sentence allows taxation of "all rents, royalties, profits, and other revenue or proceeds derived from such property interests."

Under the first phrase quoted, a state or local real property tax may be assessed and collected if the lands are "developed or leased to third parties." Since these phrases authorize state or local real property taxes and since the three remaining phrases do not explicitly contradict the first phrase, no problems are presented. However, if the first phrase is not relied on, it seems that it is quite reasonable to conclude that under our constitutional framework, the legislature is the effective agent for local government when it acts as the borough assembly for the unorganized borough.

Representative Charles H. Parr  
Page 3  
April 18, 1978

Finally, it is not clear what Ms. Johnston means by her comment on the "landowner/third-party" distinction. If by her comment she is implying that taxation can occur only when the real property is [both] "developed and leased" to third parties, then I suggest that she note that the language of sec. 21(d) rather reads "developed or leased" each time it is used in the section. The language clearly suggests that development of protected, unimproved lands either by a village or regional corporation or by a third party equally, in either situation, subjects the lands to property taxes. Nothing in the legislative history is to the contrary. See 2, 1971 USCCAN at 2192, 2247. While there are valid reasons for Congress to prevent the "tax alienation" which has plagued Indian lands in the other states, (an event that typically occurs when the lands are unproductive or underproductive and the owner lacks the wherewithal to pay the taxes) there seem minimal policy arguments for a conclusion that development of the protected lands by a Native Corporation should be more protected from taxation than development of the same lands by "third parties."

Her second and final concern is essentially a policy question addressed to the legislature. She states

"Yet for the foreseeable future, taxable lands in rural Alaska cannot pay for the high cost of education in the bush. Is the state retreating from its commitment to equal opportunities for all Alaska's children. At the present, the state spends twice the money ADM in the unorganized borough as it does in the boroughs."

While to this observer, no lack of commitment by the state legislature to education "in the bush" seems apparent, the concern vis-a-vis HB 202 is unfocussed and perhaps irrelevant.

HB 202 is a tax-raising measure, taxing the unorganized borough property not exempted at a rate

"equal to the average of the mill rates levied in boroughs in the state for support of the borough school districts on January 1 of the preceding year ..."

Representative Charles H. Parr  
Page 4  
April 18, 1978

There is no explicit or implicit correlation between the tax realizeable under HB 202 and the amounts appropriated to the support of education in bush Alaska, [or for that matter, between the amounts raised in organized boroughs by the property tax and the amounts spent there for education].

The citation of Serrano v. Priest is inapposite. Serrano essentially says that the rule should be

"From each according to his ability; to each according to his needs."

RAB:jpd

Bristol  
Bay  
Native  
Corporation

445 E. 5TH AVENUE / P.O. BOX 2207 / ANCHORAGE, ALASKA 99510 / PH (907) 275-3382

*From: Rep. Wels A. Anderson, Jr.*

March 31, 1978

The Honorable Lisa Rudd  
Alaska State House of  
Representatives  
Pouch V  
State Capitol Building  
Juneau, AK 99811

Dear Representative Rudd:

We have reviewed the proposed H.B. 202 and S.B. 35 dealing with real property taxes in the unorganized borough. While real property taxes are the favored way to support school systems, they cannot be justified in the present instance.

1. Real property taxes have basically three virtues: they preserve the autonomy of the local decision-making; they are subject to equitable exemptions for the poor and elderly; finally, they are relatively simple or inexpensive to administer. However, if real property taxes are levied in unorganized borough, none of these goals will be achieved.

a. Local autonomy cannot be fostered by the State Legislature making decisions on local tax rates, exemptions or spending. Not only is the State Legislature removed from the locale to be taxed, but seventy-five percent of that body is elected by persons not subject to the tax.

b. Although Alaska Statute 29.53.025(a) permits certain equitable exemptions, they are optional only. For any of them to be effective, a municipality within the borough, then the borough, and finally, in some instances, the voters must act. Unless first-class cities within the unorganized borough have created a \$10,000 exemption for residences, the State Legislature functioning as a borough assembly cannot make said exemption a reality. Equity is thereby lost.

c. Real property taxes are, in general, relatively inexpensive to administer. This fact coupled with high compliance makes them extremely appealing to government. However, the factors which make these taxes inexpensive are absent in the bush. In the unorganized borough, real property descriptions, locations, or recorded owners are almost nonexistent. Furthermore, an identifiable market on which to base full and true value is also lacking. Since the comparable sales approach could not be used for valuation, only the capitalization of income and the cost replacement approaches remain. The income approach, of course, could be used only on income-producing property, yet values will be needed for all "improved" real property. Finally, the cost replacement approach is the least fair or reliable one and, in any case, is of aid only as to buildings. Given these administrative and valuation problems, costs will be substantial, and the worth of any tax correspondingly reduced.

2. Certain weaknesses or problems are inherent in real property taxes. Such taxes are regressive, and their high effective rate influences economic behavior. Both of these problems are exacerbated when real property taxes are instituted in the bush.

a. Real property taxes are regressive. Unlike income taxes, they impose a greater proportional burden on those with low income. For instance, the estimated income per return of Bristol Bay residents is only half that of Anchorage residents while their cost of living is twenty-eight percent higher. Clearly, the proportional burden of real property taxes on such people is great.

b. Real property taxes influence economic choices or the use of resources. Therefore, care must be taken so that such taxes will foster the type of resource allocation which the State favors. At present, the State of Alaska is trying to protect traditional subsistence and, at the same time, trying to encourage development sufficient to reduce unemployment. Neither of these goals is enhanced by real property taxes.

For instance, it is very expensive for commercial enterprises to locate in rural Alaska. They incur additional costs in housing, communications and transportation by so doing. At present, only the fishing or extractive industries are drawn there because of certain resources.

The Honorable Lisa Rudd  
March 31, 1978  
Page 3

As a result, rural Alaskans suffer from high unemployment which is only partially offset by their subsistence rights. Many outside communities which have struggled with depressed economies have not only cut taxation, but also donated lands to businesses willing to relocate. Yet Alaska is proposing a real property tax for depressed areas.

To complicate matters further, Bob Dozier of the State Assessor's office has proposed that the unimproved land be taxed too. Such an action would force the landowner to choose among developing, paying taxes out of his other income, or losing his land to the State. Therefore such taxes increase pressure for development but, as discussed above, without the existence of development opportunities. Given that many rural Alaskans do not have much by way of other income, more land would move into State ownership through foreclosure. Certainly, this does not protect a subsistence life-style or encourage development.

Even if the problems discussed above do not exist, two technical or legal difficulties remain. H.B. 202 and S.B. 35 fail to adequately take into account Section 21(d) of the Alaska Native Claims Settlement Act and Article IX, Section 7 of the Alaska Constitution. Confusion, litigation and additional expenses for the State and private property owners alike would result.

1. Generally, Section 21(d) provides that Native lands are exempt for twenty years provided that they are not leased or developed. Congress granted this tax moratorium for many reasons. Partially it was additional compensation for Native claims. Partially it was to allow for necessary adjustments to the economic mainstream. The intent was to give Native corporations time to experiment economically before assuming substantial tax burdens, to provide temporary sanctuary for traditional subsistence, and to retard the inexorable movement of Native lands to non-Native hands. Price, The Tax Exemption of Native Lands Under Section 21(d) of the Alaska Native Claims Settlement Act, 6 UCLA-AR. L.REV. 1 (1976). In so doing, Congress has preempted and limited the State of Alaska's options.

The relevant language of section 21(d) is as follows:

Real property interests conveyed, pursuant to this Act, to a Native individual, Native group, or Village or Regional Corporation which are not developed or leased to third parties, shall be exempt from State and local real property taxes for a period of twenty years ... Provided

The Honorable Lisa Rudd  
March 31, 1978  
Page 4

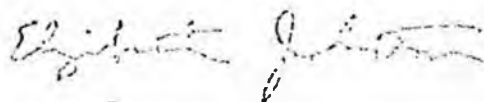
That ... local real property taxes ... may be imposed upon leased or developed real property within the jurisdiction of any governmental unit under the laws of the State ...

Yet the State Legislature proposes to tax all improved real property. How does this fit with the phrase "leased or developed"? When the State Legislature is acting as a borough assembly, is it imposing a State or a local tax? Where is the landowner/third-party distinction recognized by the State? Certainly, the proposed bills as presently drafted do not make clear that the State will not encroach on Native rights granted by Congress.

2. Article IX, Section 7 of the Alaska Constitution states that "the proceeds of any State tax or license shall not be dedicated to any special purpose ..." Yet S.B. 35 appropriates the net revenues generated by taxation for the benefit of the unorganized borough. Assuming, arguendo, that S.B. 35 imposes a State tax, then the attempt to dedicate revenues to schools or to local government is unconstitutional. It is of no effect. 1969 Atty Gen'l Opinion #3.

Our final concern is that H.B. 202 and S.B. 35 attempt to link the burdens of taxation to the benefits of education. Yet for the foreseeable future, taxable lands in rural Alaska cannot pay for the high cost of education in the bush. Is the State retreating from its commitment to equal opportunities for all Alaska's children? At present, the State spends twice the non-ADM in the unorganized borough as it does in the boroughs. If the State does not continue this type of commitment, only areas with a high assessed valuation of real property can choose to have quality education. For the unorganized borough, such choice is illusory. The State's withdrawal, therefore, would violate equal protection. *Serrano v. Priest*, 557 P.2d 929 (1977) cert. denied.

Very truly yours,



Elizabeth Johnston  
General Counsel

cc: Rep. Nels Anderson, Jr. ✓  
Bristol Bay Area Health Corp.  
Bristol Bay Native Association

# CHARLIE PARR

ALASKA LEGISLATURE

S. R. Box 50599  
Fairbanks, Alaska 99701  
456-5029

Pouch V  
Juneau, Alaska 99811  
465-3797

April 19, 1978

Ms. Elizabeth Johnston  
Bristol Bay Native Corporation  
P.O. Box 220  
Anchorage, Alaska 99510

Dear Ms. Johnston:

Representative Nels A. Anderson, Jr. has kindly given me a copy of your letter of March 31 to Representative Lisa Rudd.

Since I am the sponsor of HB 202 some comments may in in order in reply to your remarks on that bill. To deal with your points in order:

1. Your discussion of the virtues of real property taxes is highly simplified, if not simplistic. You set up straw men, then demolish them.

a. The "seventy-five percent" (of the Legislature) which "is elected by persons not subject to the tax" is the same seventy-five percent which consistently funds the schools in the untaxed areas of the state.

b. Your logic escapes me. The legislature can't give the exemption in the unorganized borough unless it's being given in first-class cities? Try reading the parable of the workers in the vineyard.

c. I don't know if you have worked in property assessing-I did for a while, and can say only that you're wrong. True, there won't be a lot of revenue for the first two years or so, but then the program will more than pay for itself.

2. You appear to be making an argument against real property taxes in general, and much of what you say would apply to such taxes in the organized cities and boroughs as well. Is it your argument that they should be abolished? If so, in favor of...?

a. Sales taxes are even more regressive...

b. All taxes do this. Your point about subsistence and development isn't very clear, unless you are opposing

Ms. Elizabeth Johnston  
pg. - 2 -

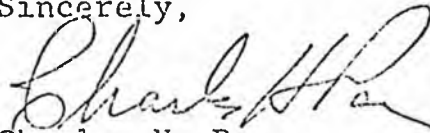
a subsidy for development (i.e., a tax exemption).

The latter part of your letter is addressed by the enclosed memorandum from Mr. Bradley.

Finally, Ms. Johnston, one point which your letter ignores. A lot of people in the unorganized borough are getting a free ride, and a significant percentage don't need it. Tell me why the owner of a \$400,000 lodge in Tok pays no property taxes, while one in Fairbanks North Star Borough does.

Because of this free ride, my constituents are paying more than their share. These are the simple facts of the case.

Sincerely,



Charles H. Parr

CHP:sg

cc: Representative Lisa Rudd  
Representative Nels A. Anderson, Jr.

STATE OF ALASKA  
THE LEGISLATURE

POUCHY - STATE CAPITOL  
JUNEAU, ALASKA 99811  
907 465 3500


LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

April 17, 1978

SUBJECT: HB 202; Comment on letter to Representative  
Rudd from general counsel of Bristol Bay  
Native Corporation. (Work Order No. 5357)

TO: Representative Charles H. Parr

FROM: Richard A. Bradley   
Legislative Counsel

You have provided me with a copy of a letter to Representative Lisa Rudd from Elizabeth Johnston, General Counsel of the Bristol Bay Native Corporation, dated March 31, 1978.

You ask that I comment on two questions.

Ms. Johnston's first question arises under section 21(d) of the Settlement Act. She notes that certain protections are given to the lands conveyed to Native Corporations. Because the language of the section is significant, it is useful to set out the material language:

Real property interests conveyed pursuant to this Act, to a Native individual, Native group, or Village or Regional Corporation which are not developed or leased to third parties, shall be exempt from State or local real property taxes for a period of twenty years after the date of enactment of this Act [December 18, 1971]: Provided, That municipal taxes, local real property taxes, or local assessments may be imposed upon leased or developed real property within the jurisdiction of any governmental unit under the laws of the State: ...

The language of HB 202 [and SB 35] exempts "unimproved land." Both Jack Chenoweth [the drafter of SB 35] and I appear to conclude that the phrase "unimproved land" is the opposite of the phrase in §21(d) prohibiting taxes on "leased or developed real property."

Representative Charles H. Parr  
Page 2  
April 18, 1978

In my opinion, the judgment is completely proper; if anything, the phrase is quite conservative since lands subject to a leasehold interest without development, while taxable under the Federal law, do not become taxable under either HB 202 or SB 35 until they are "improved."

In my opinion, the phrase "leased or developed" need not be used in state legislation for it to be effective and the words actually used are effective and within the authority allowed to the legislature under the Settlement Act.

Ms. Johnston then asks whether the legislature, when it acts as a borough assembly, is imposing a "state or a local tax." The distinction is not significant although section 21(d) could well have been written with more precision.

- (1) The first sentence of §21(d) exempts the property "from state or local property taxes" if it is not "developed or leased to third parties..."
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Representative Charles H. Parr  
Page 3  
April 18, 1978

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Her second and final concern is essentially a policy question addressed to the legislature. She states

"Yet for the foreseeable future, taxable lands in rural Alaska cannot pay for the high cost of education in the bush. Is the state retreating from its commitment to equal opportunities for all Alaska's children. At the present, the state spends twice the money ADM in the unorganized borough as it does in the boroughs."

While to this observer, no lack of commitment by the state legislature to education "in the bush" seems apparent, the concern vis-a-vis HB 202 is unfocussed and perhaps irrelevant.

HB 202 is a tax-raising measure, taxing the unorganized borough property not exempted at a rate

"equal to the average of the mill rates levied in boroughs in the state for support of the borough school districts on January 1 of the preceding year ..."

Representative Charles H. Parr  
Page 4  
April 18, 1978

There is no explicit or implicit correlation between the tax realizeable under HB 202 and the amounts appropriated to the support of education in bush Alaska, [or for that matter, between the amounts raised in organized boroughs by the property tax and the amounts spent there for education].

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"From each according to his ability; to each according to his needs."

RAB:jpd

Bristol  
Bay  
Native  
Corporation

435 E. 5TH AVENUE / P.O. BOX 2207 ANCHORAGE, ALASKA 99501 / PH (907) 275 3332

*John H. ...*  
*From: Rep. Nels A. Anderson*

March 31, 1978

The Honorable Lisa Rudd  
Alaska State House of  
Representatives  
Pouch V  
State Capitol Building  
Juneau, AK 99811

Dear Representative Rudd:

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1. Real property taxes have basically three virtues: they preserve the autonomy of the local decision-making; they are subject to equitable exemptions for the poor and elderly; finally, they are relatively simple or inexpensive to administer. However, if real property taxes are levied in unorganized borough, none of these goals will be achieved.

a. Local autonomy cannot be fostered by the State Legislature making decisions on local tax rates, exemptions or spending. Not only is the State Legislature removed from the locale to be taxed, but seventy-five percent of that body is elected by persons not subject to the tax.

b. Although Alaska Statute 29.53.025(a) permits certain equitable exemptions, they are optional only. For any of them to be effective, a municipality within the borough, then the borough, and finally, in some instances, the voters must act. Unless first-class cities within the unorganized borough have created a \$10,000 exemption for residences, the State Legislature functioning as a borough assembly cannot make said exemption a reality. Equity is thereby lost.

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a. Real property taxes are regressive. Unlike income taxes, they impose a greater proportional burden on those with low income. For instance, the estimated income per return of Bristol Bay residents is only half that of Anchorage residents while their cost of living is twenty-eight percent higher. Clearly, the proportional burden of real property taxes on such people is great.

b. Real property taxes influence economic choices or the use of resources. Therefore, care must be taken so that such taxes will foster the type of resource allocation which the State favors. At present, the State of Alaska is trying to protect traditional subsistence and, at the same time, trying to encourage development sufficient to reduce unemployment. Neither of these goals is enhanced by real property taxes.

For instance, it is very expensive for commercial enterprises to locate in rural Alaska. They incur additional costs in housing, communications and transportation by so doing. At present, only the fishing or extractive industries are drawn there because of certain resources.

The Honorable Lisa Rudd

March 31, 1978

Page: 3

As a result, rural Alaskans suffer from high unemployment which is only partially offset by their subsistence rights. Many outside communities which have struggled with depressed economies have not only cut taxation, but also donated lands to businesses willing to relocate. Yet Alaska is proposing a real property tax for depressed areas.

To complicate matters further, Bob Dozier of the State Assessor's office has proposed that the unimproved land be taxed too. Such an action would force the landowner to choose among developing, paying taxes out of his other income, or losing his land to the State. Therefore such taxes increase pressure for development but, as discussed above, without the existence of development opportunities. Given that many rural Alaskans do not have much by way of other income, more land would move into State ownership through foreclosure. Certainly, this does not protect a subsistence life-style or encourage development.

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The Honorable Lisa Rudd  
March 31, 1978  
Page 4

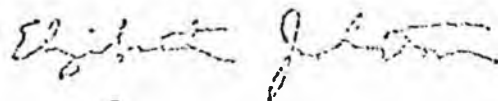
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2. Article IX, Section 7 of the Alaska Constitution states that "the proceeds of any State tax or license shall not be dedicated to any special purpose ..." Yet S.B. 35 appropriates the net revenues generated by taxation for the benefit of the unorganized borough. Assuming, arguendo, that S.B. 35 imposes a State tax, then the attempt to dedicate revenues to schools or to local government is unconstitutional. It is of no effect. 1969 Atty Gen'l Opinion #3.

Our final concern is that H.B. 202 and S.B. 35 attempt to link the burdens of taxation to the benefits of education. Yet for the foreseeable future, taxable lands in rural Alaska cannot pay for the high cost of education in the bush. Is the State retreating from its commitment to equal opportunities for all Alaska's children? At present, the State spends twice the money ADM in the unorganized borough as it does in the boroughs. If the State does not continue this type of commitment, only areas with a high assessed valuation of real property can choose to have quality education. For the unorganized borough, such choice is illusory. The State's withdrawal, therefore, would violate equal protection. *Serrano v. Priest*, 557 P.2d 929 (1977) cert. denied.

Very truly yours,



Elizabeth Johnston  
General Counsel

cc: Rep. Nels Anderson, Jr. ✓  
Bristol Bay Area Health Corp.  
Bristol Bay Native Association

# COMMITTEE REPORT

## HOUSE

3/27/78

FURTHER: \_\_\_\_\_  
\_\_\_\_\_

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

Mr. Speaker:

The Committee on FINANCE has had HB 202

"An Act providing for assessment, levy and collection of a tax on developed land in the unorganized borough; effective date."

under consideration and (a majority of the committee) (the committee reports it back as follows)

- recommends it do pass                       recommends it do not pass  
 recommends it do pass with attached amendment(s)  
 recommends it be replaced with CS for \_\_\_\_\_

and \_\_\_\_\_  new title       same title

- AND attaches a Letter of Intent                       New Fiscal Note  
 reports it back without recommendation  
 and recommends it be referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING DO PASS:

OTHER RECOMMENDATIONS:

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\_\_\_\_\_  
Chairman

"An Act providing for assessment, levy and collection of a tax on developed land in the unorganized borough; and providing for an effective date."

# COMMITTEE REPORT

2-10-77

HOUSE

FINANCE

3/24/78

Date

Mr. Speaker:

The Committee on C&RA has had HB 202 under consideration. A ~~majority of~~ <sup>and</sup> the members of the Committee

- recommends it do pass
- recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for \_\_\_\_\_ and that CS for \_\_\_\_\_ do pass
- (and) recommends it be referred to the \_\_\_\_\_ committee
- reports it back without recommendation
- AND attaches a report of its intent
- (other) Individual recommendations

### MEMBERS SIGNING THE MAJORITY REPORT:

- ① Rudd - do pass
- ② Tim Kelly Do Pass if Amended
- ③ Peter Linn No Rec
- ③ Robert Bell No Rec

### MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

- ④ JJ Smith recommends: Do Not Pass
- MOG 200 recommends: NOT PASS
- Mesko H. Smiles recommends: DO NOT PASS
- Nels G. Anderson Do Not Pass Ever Ever!

As Rudd  
Chairman

3053  
Brodley

Introduced: 2/10/77  
Referred: Community &  
Regional Affairs and Finance

1 IN THE HOUSE

BY PARR

2 HOUSE BILL NO. 202

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act providing for assessment, levy and collection  
7 of a tax on developed land in the unorganized borough;  
8 and providing for an effective date."

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

10 \* Section 1. AS 29.03 is amended by adding new sections to read:

11 ARTICLE 2. ASSESSMENT AND TAXATION.

12 Sec. 29.03.100. AD VALOREM TAX ON DEVELOPED LAND IN BOROUGH. (a)

13 An annual tax is levied each tax year, beginning January 1, 1978, on  
14 the full and true value of taxable real property located in the unor-  
15 ganized borough which is outside home rule or first class cities.

16 (b) The following property is exempt from the tax levied under (a)  
17 of this section:

18 (1) unimproved land;

19 (2) real property exempt from taxation under AS 29.53.020;

20 (3) real property exempted by a second class city under  
21 AS 29.53.025(a);

22 (4) real property subject to or exempt from taxation under  
23 AS 43.56 and 43.58.

24 Sec. 29.03.110. AMOUNT OF TAX LEVIED. The mill rate levied under  
25 sec. 100 of this chapter shall be equal to the average of the mill rates  
26 levied in boroughs in the state for support of the borough school  
27 districts on January 1 of the preceding year, as determined by the com-  
28 missioner of revenue.

29 Sec. 29.03.120. PROPERTY EXEMPT FROM EXECUTION SUBJECT TO TAX.

1 Laws exempting certain real property from execution under AS 09 do not  
2 exempt the property from the tax levied under sec. 100(a) of this chap-  
3 ter.

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14 (c) Reassessment shall be undertaken on a three-year schedule.

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17 assessment review officers. At least one officer shall be appointed  
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19 ment review officers shall be assigned to hear, at appropriate locations  
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4 delinquent taxes, and interest at the rate of eight per cent a year  
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6 until paid in full.

7           Sec. 29.03.170. TAX LIEN AND ENFORCEMENT. (a) The tax levied  
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10 With respect to property located outside a city of the borough, the  
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16           (b) Enforcement of the lien of the tax levied under sec. 100(a) of  
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20           Sec. 29.03.180. FALSE STATEMENT. A person who knowingly makes a  
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20 (2) "unimproved land" means land with respect to which the  
21 state assessor determines that no current physical addition or altera-  
22 tion exists which enhances the utility, value, or income-producing  
23 potential of the land.

24 \* Sec. 2. This Act takes effect July 1, 1977.

ALASKA STATE LEGISLATURE

TENTH Legislature FIRST Session

HOUSE BILL NO. 202  
By PARR

"An Act providing for assessment, levy and collection of a tax on developed land in the unorganized borough; and providing for an effective date."

Tax on dev. land in unorg. boro.

Introduced in the House 2-10, 19.77

HISTORY IN THE HOUSE

19	77	Read first time and referred to Committee on C&RA and Finance												
Feb.	10	Reported back with recommendation that												
		Read second time and												
		Read third time and												
		<table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused		
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Excused	Excused													
		Reported correctly engrossed Signed by Speaker Sent to Senate												

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

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	Reported back with recommendation that												
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SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19	Received from Senate
	Concurred in Senate amendment thus adopting:
	Failed to concur in Senate amendment; asked Sen. to recede
	Senate receded from amendment
	Senate failed to recede from amendment
	FCC appointed by House
	FCC appointed by Senate
	FCC adopted
	To enrolling
	Reported correctly enrolled
	Sent to Governor
	..... by Governor
	Filed with Lt. Governor
	Chapter No. ....

THE LEGISLATURE OF THE STATE OF ALASKA  
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 202  
 Title Act relating to tax on developed land in the unorganized borough.  
 Requested by House Community & Regional Affairs Com. Date 2/24/77

II. FISCAL DETAIL

Agency Affected Revenue  
 Program Category Affected General Government  
 Budget Request Unit(s) Affected Administration and Support

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES		21.9	15.3	16.0	16.8	17.6
200 TRAVEL						
300 CONTRACTUAL		6.0	6.1	6.3	6.6	6.9
400 COMMODITIES		.5	.6	.7	.7	.7
500 EQUIPMENT		.8				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	29.2	22.0	23.0	24.1	25.2

FUNDING (Thousands of Dollars)

	-0-	29.2	22.0	23.0	24.1	25.2
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

		1	1	1	1
FULL TIME					
PART TIME	2				
TEMPORARY					

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III) Revenue receives tax roll from Community and Regional Affairs. Revenue establishes average mill rate and prepares 20,000 tax bills using computer assisted procedures and mails bills. Revenue receives tax remittance, receipts money, post accounts and transmits money to Treasury. Revenue prepares separate budget and Annual Report. Revenue shares taxes collected to certain new boroughs and first class cities.

A Systems Analyst is required to design and program the Billings/Receipts System, a 6 month requirement. An Accounting Clerk is required to supervise the billings preparation and receipts processing 6 months in FY 78 and full time thereafter.

Envelopes & Forms 2.0      Systems Analyst- 6 months = 14.2      Annual Report Cost  
 Postage 3.5      Act Clerk III - 6 months = 7.7      is .5.  
 Commodities .5      Equipment .8

IV. DATE 2/26/77 PREPARED BY P. A. Wall  
 AGENCY Revenue  
 PHONE 465-2313  
 Original: Legislative Finance  
 cc: Budget and Management  
Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA  
TENTH LEGISLATURE

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Introduced: 2/10/77  
Referred: Community &  
Regional Affairs and Finance

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BY PARR

2 HOUSE BILL NO. 202

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act providing for assessment, levy and collection  
7 of a tax on developed land in the unorganized borough;  
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9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 \* Section 1. AS 29.03 is amended by adding new sections to read:

11 ARTICLE 2. ASSESSMENT AND TAXATION.

12 Sec. 29.03.100. AD VALOREM TAX ON DEVELOPED LAND IN BOROUGH. (a)  
13 An annual tax is levied each tax year, beginning January 1, 1978, on  
14 the full and true value of taxable real property located in the unor-  
15 ganized borough which is outside home rule or first class cities.

16 (b) The following property is exempt from the tax levied under (a)  
17 of this section:

- 18 (1) unimproved land;  
19 (2) real property exempt from taxation under AS 29.53.020;  
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22 (4) real property subject to or exempt from taxation under  
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25 sec. 100 of this chapter shall be equal to the average of the mill rates  
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28 missioner of revenue.

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Introduced: 2/10/77  
Referred: Community &  
Regional Affairs and Finance

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10 070(a).

11 (b) The assessor has discretion to accept the final assessment  
12 figures certified by the assessor of a city in the unorganized borough  
13 on property in the city subject to the tax.

14 (c) Reassessment shall be undertaken on a three-year schedule.

15 Sec. 29.03.140. EQUALIZATION. (a) The commissioner of community  
16 and regional affairs shall appoint qualified persons to serve as state  
17 assessment review officers. At least one officer shall be appointed  
18 from each of the four judicial districts, and a panel of three assess-  
19 ment review officers shall be assigned to hear, at appropriate locations  
20 in a district, assessment appeals from determinations of the assessor  
21 under sec. 130 of this chapter and to prepare proposed decisions for  
22 adoption by the commissioner.

23 (b) State assessment review officers serve at the pleasure of the  
24 commissioner and receive no compensation but are entitled to per diem  
25 and travel expenses authorized by law for boards.

26 Sec. 29.03.150. PROCEDURES. The commissioner shall adopt regula-  
27 tions which are generally consistent with the procedures established by  
28 AS 29.53.140 for the appeal hearings held under sec. 140 of this chap-  
29 ter.

1           Sec. 29.03.160. COLLECTION. The tax levied under sec. 100(a) of  
2 this chapter is payable in full to the Department of Revenue on Septem-  
3 ber 30 of the tax year. A penalty of ten per cent shall be added to  
4 delinquent taxes, and interest at the rate of eight per cent a year  
5 shall accrue on all unpaid taxes, excluding penalties, from the due date  
6 until paid in full.

7           Sec. 29.03.170. TAX LIEN AND ENFORCEMENT. (a) The tax levied  
8 under sec. 100(a) of this chapter and interest and penalty set out in  
9 sec. 160 of this chapter are liens upon the property assessed and taxed.  
10 With respect to property located outside a city of the borough, the  
11 liens are prior and paramount to all other liens or encumbrances against  
12 the property assessed. With respect to property located in cities of  
13 the unorganized borough, the liens are prior to all liens and encum-  
14 brances against the property assessed except liens for taxes levied by  
15 the city.

16           (b) Enforcement of the lien of the tax levied under sec. 100(a) of  
17 this chapter shall be carried out in the same manner and with the same  
18 effect as provided for enforcement of property tax liens under AS 34.-  
19 10.070 - 34.10.220.

20           Sec. 29.03.180. FALSE STATEMENT. A person who knowingly makes a  
21 false statement in a return required under secs. 100 - 230 of this  
22 chapter as to the amount, location, kind, value or other aspect of  
23 property subject to taxation with intent to evade taxation is guilty of  
24 a misdemeanor and upon conviction is punishable by a fine of not more  
25 than \$500, or by imprisonment for not more than five days, or by both,  
26 together with the costs of prosecution. Conviction under this section  
27 does not discharge or mitigate any tax, penalty, or interest due under  
28 sec. 160 of this chapter.

29           Sec. 29.03.190. REGULATIONS. The Department of Community and

1 Regional Affairs and the Department of Revenue each may adopt regula-  
2 tions as appropriate to carry out its respective duties under secs.  
3 100 - 230 of this chapter.

4 Sec. 29.03.200. STATE BUDGETING. The costs to the state of the  
5 program established under secs. 100 - 230 of this chapter are to be  
6 budgeted separately from the present budgets of the departments con-  
7 cerned.

8 Sec. 29.03.210. ANNUAL REPORT. The commissioner of revenue shall  
9 make an annual report to the legislature of funds expended on the pro-  
10 gram and the income derived from it.

11 Sec. 29.03.220. TRANSITIONAL MEASURES. The commissioner of  
12 revenue shall grant to any municipality established as a borough or  
13 established or reclassified as a city of the first class before  
14 December 31 all taxes collected from the area in the municipality during  
15 that year. Funds granted under this section are in addition to any  
16 funds payable to the new municipality under AS 43.18.010 - 43.18.045.

17 Sec. 29.03.230. DEFINITIONS. In secs. 100 - 230 of this chapter

18 (1) "real property" means property as defined in AS 29.78.-  
19 010(13);

20 (2) "unimproved land" means land with respect to which the  
21 state assessor determines that no current physical addition or altera-  
22 tion exists which enhances the utility, value, or income-producing  
23 potential of the land.

24 \* Sec. 2. This Act takes effect July 1, 1977.

Introduced: 2/10/77  
Referred: Community &  
Regional Affairs and Finance

1 IN THE HOUSE

BY PARR

2 HOUSE BILL NO. 202

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act providing for assessment, levy and collection  
7 of a tax on developed land in the unorganized borough;  
8 and providing for an effective date."

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

10 \* Section 1. AS 29.03 is amended by adding new sections to read:

11 ARTICLE 2. ASSESSMENT AND TAXATION.

12 Sec. 29.03.100. AD VALOREM TAX ON DEVELOPED LAND IN BOROUGH. (a)

13 An annual tax is levied each tax year, beginning January 1, 1978, on  
14 the full and true value of taxable real property located in the unor-  
15 ganized borough which is outside home rule or first class cities.

16 (b) The following property is exempt from the tax levied under (a)  
17 of this section:

18 (1) unimproved land;

19 (2) real property exempt from taxation under AS 29.53.020;

20 (3) real property exempted by a second class city under  
21 AS 29.53.025(a);

22 (4) real property subject to or exempt from taxation under  
23 AS 43.56 and 43.58.

24 Sec. 29.03.110. AMOUNT OF TAX LEVIED. The mill rate levied under  
25 sec. 100 of this chapter shall be equal to the average of the mill rates  
26 levied in boroughs in the state for support of the borough school  
27 districts on January 1 of the preceding year, as determined by the com-  
28 missioner of revenue.

29 Sec. 29.03.120. PROPERTY EXEMPT FROM EXECUTION SUBJECT TO TAX.

1 Laws exempting certain real property from execution under AS 09 do not  
2 exempt the property from the tax levied under sec. 100(a) of this chap-  
3 ter.

4 Sec. 29.03.130. ASSESSMENT. (a) Property subject to the tax  
5 levied under sec. 100(a) of this chapter shall be assessed by the state  
6 assessor in the manner provided in AS 29.53.030 - 29.53.040, 29.53.-  
7 060(a), and 29.53.070 - 29.53.130 for assessment of real property in  
8 organized boroughs. The state assessor shall exercise the functions of  
9 the local assessor and may require returns authorized under AS 29.53.-  
10 070(a).

11 (b) The assessor has discretion to accept the final assessment  
12 figures certified by the assessor of a city in the unorganized borough  
13 on property in the city subject to the tax.

14 (c) Reassessment shall be undertaken on a three-year schedule.

15 Sec. 29.03.140. EQUALIZATION. (a) The commissioner of community  
16 and regional affairs shall appoint qualified persons to serve as state  
17 assessment review officers. At least one officer shall be appointed  
18 from each of the four judicial districts, and a panel of three assess-  
19 ment review officers shall be assigned to hear, at appropriate locations  
20 in a district, assessment appeals from determinations of the assessor  
21 under sec. 130 of this chapter and to prepare proposed decisions for  
22 adoption by the commissioner.

23 (b) State assessment review officers serve at the pleasure of the  
24 commissioner and receive no compensation but are entitled to per diem  
25 and travel expenses authorized by law for boards.

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27 tions which are generally consistent with the procedures established by  
28 AS 29.53.140 for the appeal hearings held under sec. 140 of this chap-  
29 ter.

1           Sec. 29.03.160. COLLECTION. The tax levied under sec. 100(a) of  
2 this chapter is payable in full to the Department of Revenue on Septem-  
3 ber 30 of the tax year. A penalty of ten per cent shall be added to  
4 delinquent taxes, and interest at the rate of eight per cent a year  
5 shall accrue on all unpaid taxes, excluding penalties, from the due date  
6 until paid in full.

7           Sec. 29.03.170. TAX LIEN AND ENFORCEMENT. (a) The tax levied  
8 under sec. 100(a) of this chapter and interest and penalty set out in  
9 sec. 160 of this chapter are liens upon the property assessed and taxed.  
10 With respect to property located outside a city of the borough, the  
11 liens are prior and paramount to all other liens or encumbrances against  
12 the property assessed. With respect to property located in cities of  
13 the unorganized borough, the liens are prior to all liens and encum-  
14 brances against the property assessed except liens for taxes levied by  
15 the city.

16           (b) Enforcement of the lien of the tax levied under sec. 100(a) of  
17 this chapter shall be carried out in the same manner and with the same  
18 effect as provided for enforcement of property tax liens under AS 34.-  
19 10.070 - 34.10.220.

20           Sec. 29.03.180. FALSE STATEMENT. A person who knowingly makes a  
21 false statement in a return required under secs. 100 - 230 of this  
22 chapter as to the amount, location, kind, value or other aspect of  
23 property subject to taxation with intent to evade taxation is guilty of  
24 a misdemeanor and upon conviction is punishable by a fine of not more  
25 than \$500, or by imprisonment for not more than five days, or by both,  
26 together with the costs of prosecution. Conviction under this section  
27 does not discharge or mitigate any tax, penalty, or interest due under  
28 sec. 160 of this chapter.

29           Sec. 29.03.190. REGULATIONS. The Department of Community and

1 Regional Affairs and the Department of Revenue each may adopt regula-  
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24 \* Sec. 2. This Act takes effect July 1, 1977.