

ALASKA LEGISLATURE

HOUSE and SENATE

COMMITTEE FILLES, 1993-1994

1053

127

HB

392

SFIN

FILE

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. SCS CS HB 392 (FIN)

Revision Date:		Dept. Affected:	Revenue
Title:	<u>Permanent Fund Dividend Program</u>	BRU:	<u>Permanent Fund Dividend</u>
Sponsor:	<u>Representatives PARNELL, Mulder</u>	Component:	<u>Permanent Fund Dividend</u>
Requestor:	<u>Senate Rules Committee</u>	COMPONENT SERIAL NO.	<u>981</u>

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
SUPPLIES	-0-	-0-	-0-	-0-	-0-	-0-
EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
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REVENUE FUND SOURCE:	-0-	-0-	-0-	-0-	-0-	-0-
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FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY94) impact: \$ -0-

ANALYSIS:

None.

Prepared by:	<u>Thomas C. Williams</u>	Phone: <u>465-2323</u>
Division:	<u>Permanent Fund Dividend</u>	Date: <u>04-28-94</u>
Approved by Commissioner:	<u>[Signature]</u>	Date: <u>4/28/94</u>
Agency:	<u>Department of Revenue</u>	

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STATE OF ALASKA
1994 LEGISLATIVE SESSION

FISCAL NOTE

BILL NO.: SCS CSHB 392(FIN) am

Revision Date:	_____	Dept. Affected:	Corrections
Title:	PFD Program	BRU:	All
Sponsor:	Rep. Pamell	Component:	All
Requestor:	S. FIN	Component Serial #:	694-1884

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXP.	FY95	FY96	FY97	FY98	FY99	FY00
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 EXP	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGES IN REVENUES	0.0	0.0	0.0	0.0	0.0	0.0
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FUND SOURCE

1602 Federal Receipts						
1003 GF Match						
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY94) cost \$ 0.0

POSITIONS

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

ANALYSIS:

Prepared by: Diane Schenker, Special Assistant
 Division: Office of the Commissioner
 Approved by: J. Frank Prewitt, Jr., Commissioner
 Agency: Department of Corrections

Phone: 465-4643/786-2147
 Date: 4/27/94
 Date: 4/27/94
 Page 1 of 1

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. SCS CSHB 392 (FIN)

Revision Date: _____
Title: Permanent Fund Dividend Program

Dept. Affected: Alaska Court System
BRU: Trial Courts

Sponsor: Rep. Pamell
Requestor: _____

Components: _____
COMPONENT SERIAL NO. 768

EXPENDITURES/REVENUES (Thousands of Dollars)

OPERATING EXPENDITURES	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS & CLAIMS						
TOTAL OPERATING						

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL						

POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY 94) cost: \$ None

ANALYSIS: (Attach a separate page if necessary)
* - see attached analysis.

Prepared by: C. S. Christensen III, Staff Counsel *CSC* Phone: 264-8228
Agency: Alaska Court System Date: 04/28/94

Approved by: Arthur H. Snowden, III, Administrative Director *AS* *CSC* Date: 04/28/94
Agency: Alaska Court System

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ALASKA COURT SYSTEM
SCS CSHB 392 (FIN)
FISCAL ANALYSIS

AS 43.23.005(d) provides that a person who is convicted of a felony is ineligible for a permanent fund dividend for a year when, during all or a part of the previous calendar year, the person is incarcerated. SCS CSHB 392 (FIN) amends this to provide that a person convicted of a felony is ineligible for a dividend during the following year, whether or not the person is incarcerated. It further provides that a person convicted of a misdemeanor is ineligible for a permanent fund dividend for a year when, during all or part of the previous calendar year, the person is incarcerated. The list of ineligible persons would be compiled by the Department of Revenue, working with the Department of Corrections and the Department of Public Safety.

SCS CSHB 392 (FIN) further provides that monies which would otherwise be paid to felons and misdemeanants may be appropriated to the court system. The court system will not be submitting requests to the legislature for appropriations from that fund, because of the conflict of interest that would be perceived if judges' sentencing practices had a direct effect on the court system's operating budget.

Minor changes in criminal law or procedure often have a significant impact on the trial rate. For example, felony trial rates doubled during the first year following the attorney general's ban on plea bargaining, and tripled during the second year. Similarly, trial rates increased following the enactment of presumptive sentencing laws. As a general rule, there is a direct relationship between the trial rate for a particular crime and the size or the certainty of a penalty for that crime. For example, crimes with a mandatory minimum penalty or presumptive sentence generally have a higher trial rate than do crimes of the same class without a minimum or presumptive penalty. SCS CSHB 392 (FIN) may increase misdemeanor trial rates by raising the penalty. A defendant who is willing to plead guilty to a crime for which the likely sentence is a \$100 fine and a day or two in jail may demand a trial if the penalty also includes loss of a dividend. Because any increase in trial rates is speculative, this note does not reflect the costs that would be incurred. If trial rates do increase significantly, the court system will need to request additional funds at a later time.

Amendments

ALASKA DEPARTMENT OF REVENUE
PERMANENT FUND DIVIDEND DIVISION
SUGGESTED LANGUAGE FOR SENATE FINANCE COMMITTEE
AMENDMENT #1 TO CS HB 392 (FIN) am

As of April 27, 1994

4/27/94
S.E.
Movel
Adopted

Amend Section 5 by deleting the following language in lines 8 - 10 on page 3:

..... [IF THE COMMISSION INFORMS THE DEPARTMENT THAT THERE IS NO COMPARABLE TECHNICAL TRAINING REASONABLY AVAILABLE IN THE STATE];

Amend Section 5 by deleting the following language in lines 14 - 15 on page 3:

..... [IF THE COMMISSION INFORMS THE DEPARTMENT THAT THERE IS NO COMPARABLE PROGRAM REASONABLY AVAILABLE IN THE STATE];

Amend Section 5 by deleting the following language in lines 19 - 21 on page 3:

..... [, AND IF THE COMMISSIONER OF EDUCATION INFORMS THE DEPARTMENT THAT THERE IS NO COMPARABLE SPECIAL EDUCATION PROGRAM REASONABLY AVAILABLE IN THE STATE];

SENATE FINANCE
COMMITTEE
Amendment Number: 3
Bill Number: HB 392
Sponsor: _____ Date: 4/27/94
Logged In By: (Signature)

ALASKA DEPARTMENT OF REVENUE
PERMANENT FUND DIVIDEND DIVISION
SUGGESTED LANGUAGE FOR SENATE FINANCE COMMITTEE
AMENDMENT #2 TO CS HB 392 (FIN) am

As of April 26, 1994

*Tom
William's*

of money owed to the municipality; *uncor y*

(11) to a municipality, [^]a state, or the federal government,

(A) information to which an applicant has authorized access as a condition of qualification for or participation in a government program;

(B) information for use in a criminal investigation by the requesting government if the department receives a request from the municipal, state, or federal government;

(12) to the United States Department of Treasury, Internal Revenue Service, information for use in the collection of money owed to the federal government and tax compliance investigations by the Internal Revenue Service;

(13) to the United States Selective Service System, the names, mailing addresses, birth dates, and social security numbers of all current dividend year ~~male~~ applicants between 17 and 28 years old for determining compliance with federal selective service laws;

*TK
Delete
Adopted
Amend
#4*

ALASKA DEPARTMENT OF REVENUE
PERMANENT FUND DIVIDEND DIVISION
SUGGESTED LANGUAGE FOR SENATE FINANCE COMMITTEE

AMENDMENT #2 TO CS HB 392 (FIN) SENATE FINANCE

As of April 26, 1994

COMMITTEE

Amendment Number: 2

Bill Number: HB 392

Sponsor: _____ Date: 4/27/94

Logged In By: (RM)

4/27/94
Adopted
as
amended
p 3

Amend Section 15, lines 6 - 15 on page 9 as follows:

Sec 43.23.089. RELEASE OF INFORMATION. (a) Except to the extent required under AS 24.20.271 and AS 24.55.160 - 24.55.170, required for the administration of the permanent fund dividend program and as provided in this section, information related to an individual's application or dividend, including a dividend eligibility determination made by the department, is confidential. Except as provided in (e) of this section, the department shall provide information related to an individual's application or dividend to that individual upon the request of that individual. Notwithstanding the fact that information may not be subject to public inspection under AS 90.25.110 - 90.25.140, with respect to information related to an individual's application or dividend, the department shall comply with AS 44.99.300 - 44.99.350.

Amend Section 15, lines 21-25 on page 9 as follows:

(2) to the federal court system for use in developing a jury list and to the state court system for use in developing a jury list under AS 09.20.050, the names, mailing addresses, [AND] birth dates and social security numbers of applicants who are United States citizens 18 years old or older [WHO HAVE NOT BEEN IDENTIFIED BY THE DEPARTMENT OF CORRECTIONS AS MEETING THE CRITERIA OF AS 43.23.005(D)];

Amend Section 15 by replacing lines 29 - 31 on page 9 with:

(4) to the Alaska Commission on Postsecondary Education, information for use in the collection of money owed to the commission, and for use in eligibility determinations by the commission;

(5) to the Department of Administration, information for use in confirming eligibility for the Longevity Bonus program and compliance with state employment requirements and claims;

(6) to the Department of Health and Social Services, the names, mailing

4/27/94

4/27/94
Adopted

Conceptual Amendment
to extend beyond one
yr only

8-LS0735X.1
Cook
4/20/94

AMENDMENT

OFFERED IN THE SENATE

BY SENATOR FRANK

TO: CSHB 392(FIN) am

Page 1, after line 4:

Insert a new bill section to read:

"* Section 1. PURPOSES. The purposes of the amendments made to AS 43.23.005(d) and 43.23.028(b) in this Act are to obtain

(1) a source of additional funding for the state agencies listed in AS 43.23.028(b); and

(2) full or partial reimbursement from individual's convicted of a felony or misdemeanor for costs imposed on the state criminal justice system related to convictions and incarcerations."

Page 1, line 5:

Delete "* Section 1."

Insert "* Sec. 2."

SENATE FINANCE
COMMITTEE
Amendment Number: ①
Bill Number: HB 392
Sponsor: _____ Date: 4/26/94
Logged In By: BM

Renumber the following bill sections accordingly.

Page 2, lines 28 - 31:

Delete "who has been convicted of a felony is not eligible for a permanent fund dividend for a year when, during all or part of the previous calendar year, as a result of the conviction, the individual is incarcerated. This subsection does not apply if the felony conviction is reversed. An action taken under AS 12.55.085 - 12.55.110"

Insert "[WHO HAS BEEN CONVICTED OF A FELONY] is not eligible for a permanent fund dividend for a dividend year when (1) during the calendar year immediately preceding that dividend year the individual was convicted of a felony; or (2) [,] during all or part of the [PREVIOUS] calendar year immediately preceding that

dividend year, as a result of the conviction of a felony or misdemeanor, the individual was [IS] incarcerated. This subsection does not apply if the conviction is reversed. An action taken under AS 12.55.085 - 12.55.110"

Page 5, after line 18:

Insert a new bill section to read:

"* Sec. 8. AS 43.23.028(b) is amended to read:

(b) The notice requirements of (a) of this section do not apply to appropriations from the dividend fund to the crime victim compensation fund established under AS 18.67.162, to the council on domestic violence and sexual assault established under AS 18.66.010, to the court system, or to the Department of Corrections to the extent that amounts appropriated for a fiscal year do not exceed the total amount that would have been paid during that same [THE PREVIOUS] fiscal year to individuals who are ineligible to receive dividends under AS 43.23.005(d) if they had been eligible."

Renumber the following bill sections accordingly.

Page 7, lines 2 - 4:

Delete

"(5) annually determine, in cooperation with the Department of Corrections, the number and identity of individuals ineligible for a permanent fund dividend under AS 43.23.005(d);"

Insert.

"(5) use a list of individuals ineligible for a dividend under AS 43.23.005(d) provided annually by [ANNUALLY DETERMINE, IN COOPERATION WITH] the Department of Corrections and the Department of Public Safety to determine [,] the number and identity of those individuals [INELIGIBLE FOR A PERMANENT FUND DIVIDEND UNDER AS 43.23.005(d)];"

Page 12, after line 6:

Insert a new bill section to read:

"* Sec. 20. Notwithstanding the amendment to AS 43.23.005(d) made in sec. 5 of this Act, for purposes of determining eligibility for 1995 dividends, AS 43.23.005(d) shall be applied as though it had not been amended by this Act."

Renumber the following bill sections accordingly.

Page 12, line 7:

Delete "1 - 3, 5, 6, 10 - 14, and 16"

Insert "2 - 4, 6 - 8, 12 - 16, and 18"

Page 12, line 9:

Delete "1 - 3, 5, 6, and 8 - 18"

Insert "1 - 4, 6 - 8, 10 - 19, and 21"

Page 12, line 11:

Delete "4 and 7"

Insert "5, 9, and 20"

4/27/94
Amend to
Amend #2
8-LS0735X.3 ✓
Cook
4/27/94
Adopted

AMENDMENT

OFFERED IN THE SENATE

TO: CSHB 392(FIN) am

Page 10, after line 28:

Insert a new subsection to read:

"(g) Information that the department is authorized to release under this section only for specified uses may not be released until the department obtains a written agreement executed by the requestor. The agreement must contain

- (1) notice that the information is confidential;
- (2) a summary of the provisions of AS 11.56.860;
- (3) a list of the uses that may be made of the information; and
- (4) a statement by the requestor agreeing to use the information only

for the purposes listed."

4/27/94 Amend #1
Containing Conceptual
Amend approved by
Sen. Frank's office.

8-LS0735X.4
Cook
4/27/94

A M E N D M E N T

OFFERED IN THE SENATE

BY SENATOR FRANK

TO: CSHB 392(FIN) am

Page 1, after line 4:

Insert a new bill section to read:

"* Section 1. PURPOSES. The purposes of the amendments made to AS 43.23.005(d) and 43.23.028(b) in this Act are to obtain

(1) a source of additional funding for the state agencies listed in AS 43.23.028(b); and

(2) full or partial reimbursement from individuals convicted of a felony or misdemeanor for costs imposed on the state criminal justice system related to convictions and incarcerations."

Page 1, line 5:

Delete "* Section 1."

Insert "* Sec. 2."

Renumber the following bill sections accordingly.

Page 2, lines 28 - 31:

Delete "who has been convicted of a felony is not eligible for a permanent fund dividend for a year when, during all or part of the previous calendar year, as a result of the conviction, the individual is incarcerated. This subsection does not apply if the felony conviction is reversed. An action taken under AS 12.55.085 - 12.55.110"

Insert "[WHO HAS BEEN CONVICTED OF A FELONY] is not eligible for a permanent fund dividend for a dividend year when (1) during the calendar year immediately preceding that dividend year the individual was convicted of a felony; or (2) [,] during all or part of the [PREVIOUS] calendar year immediately preceding that

dividend year, as a result of the conviction of a felony or misdemeanor, the individual was [IS] incarcerated. This subsection does not apply if the conviction is reversed. An action taken under AS 12.55.085 - 12.55.110"

Page 5, after line 18:

Insert a new bill section to read:

"* Sec. 8. AS 43.23.028(b) is amended to read:

(b) The notice requirements of (a) of this section do not apply to appropriations from the dividend fund to the crime victim compensation fund established under AS 18.67.162, to the council on domestic violence and sexual assault established under AS 18.66.010, to the court system, or to the Department of Corrections to the extent that amounts appropriated for a fiscal year do not exceed the total amount that would have been paid during that same [THE PREVIOUS] fiscal year to individuals who are ineligible to receive dividends under AS 43.23.005(d) if they had been eligible."

Re-number the following bill sections accordingly.

Page 7, lines 2 - 4:

Delete

"(5) annually determine, in cooperation with the Department of Corrections, the number and identity of individuals ineligible for a permanent fund dividend under AS 43.23.005(d);"

Insert

"(5) use a list of individuals ineligible for a dividend under AS 43.23.005(d) provided annually by [ANNUALLY DETERMINE, IN COOPERATION WITH] the Department of Corrections and the Department of Public Safety to determine [,] the number and identity of those individuals [INELIGIBLE FOR A PERMANENT FUND DIVIDEND UNDER AS 43.23.005(d)];"

Page 12, after line 6:

Insert new bill sections to read:

"* Sec. 20. Notwithstanding the amendment to AS 43.23.005(d) made in sec. 5 of this Act, for purposes of determining eligibility for 1995 dividends, AS 43.23.005(d) shall be applied as though it had not been amended by this Act.

* Sec. 21. Notwithstanding the amendment to AS 43.23.028(b) made in sec. 8 of this Act, the notice requirements of AS 43.23.028(a) do not apply to appropriations from the dividend fund made ^{for} during fiscal year 1995 to the crime victim compensation fund established under AS 18.67.162, to the Council on Domestic Violence and Sexual Assault established under AS 18.66.010, to the court system, or to the Department of Corrections to the extent that amounts appropriated do not exceed the total amount that would have been paid during fiscal year 1994 and fiscal year 1995 to individuals who are ineligible to receive dividends under AS 43.23.005(d) if they had been eligible."

*Conceptual
Amend
Lang.*

Re-number the following bill sections accordingly.

Page 12, line 7:

Delete "1 - 3, 5, 6, 10 - 14, and 16"

Insert "2 - 4, 6 - 8, 12 - 16, 18, and 21"

Page 12, line 9:

Delete "1 - 3, 5, 6, and 8 - 18"

Insert "1 - 4, 6 - 8, 10 - 19, 21, and 22"

Page 12, line 11:

Delete "4 and 7"

Insert "5, 9, and 20"

Back-up



Official Business

Alaska State Senate

Senate Finance Committee

NB 392

Mail Stop 3100
State Capitol
Juneau, Alaska 99801-1182

Senate Bill 378: Sponsor Statement

Current statute provides that individuals who are incarcerated for a felony conviction are ineligible for a PFD in the next calendar year (AS 43.23.005(d)); the total amount that would have been paid to these individuals if they had been eligible is available for appropriation from the dividend fund during the next fiscal year to the crime victim compensation fund, the council on domestic violence and sexual assault, or the Department of Corrections (AS 43.23.028(b)).

SB 378 would change this process in two ways. First, it would increase the pool of individuals who are ineligible for a PFD to include convicted misdemeanants during a year in which they were incarcerated as a result of the conviction. Second, it would shorten the length of time necessary before the forfeited dividend funds are available for appropriation.

Misdemeanants impose a significant burden on the criminal justice system; in fact, the average misdemeanor costs the State at least \$1,559.60, based on the following estimates:

Department of Law	\$207.00
Department of Public Safety	\$300.00
Department of Corrections	\$852.60
Public Defender Agency	\$200.00
Court System	Unable to isolate costs

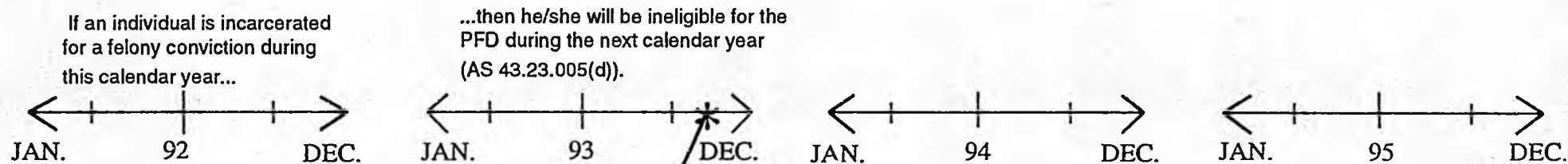
It is entirely appropriate that individuals convicted of a misdemeanor should forfeit the dividend and contribute towards the expenses incurred by the State's law enforcement, judicial, and correctional agencies.

Currently it takes three years before the forfeited dividend funds are available for appropriation; for example, the appropriation from the dividend fund for FY95 reflects convicted felons who were incarcerated in CY92. SB 378 would shorten this process to two years. This would have the effect of "bumping up" future appropriations by one year, thereby allowing a second appropriation from the dividend fund for FY95.

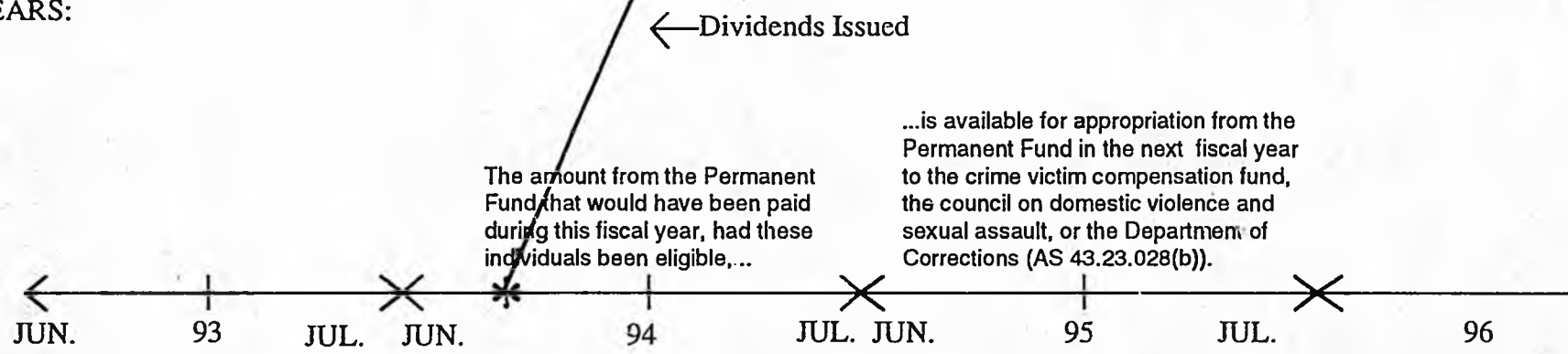
Additionally, SB 378 would add the court system to the list of agencies eligible to receive appropriations from the dividend fund; since every individual convicted of a felony or misdemeanor must appear before the court at some point, its inclusion should decrease the possibility of an equal protection challenge.

CURRENT PROCEDURE: Forfeiture of PFD by Individuals Convicted of Felony

CALENDAR YEARS:



FISCAL YEARS:

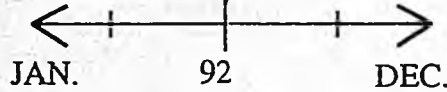


Explanatory Graphs

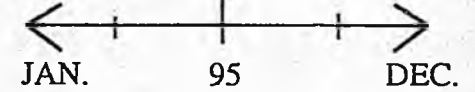
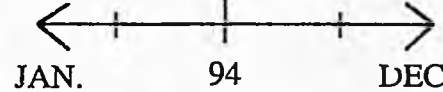
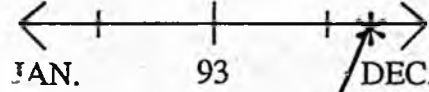
PROPOSED PROCEDURE: Forfeiture of PFD by Individuals Convicted of Felony or Misdemeanor

CALENDAR YEARS:

if an individual is convicted of a felony or misdemeanor, or incarcerated for a felony or misdemeanor conviction, during this calendar year...



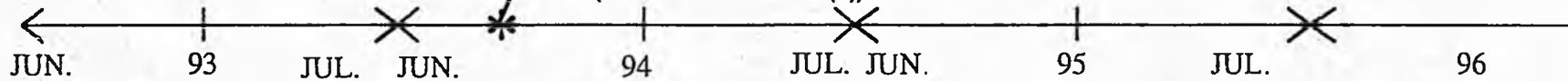
...then he/she will be ineligible for the PFD during the next calendar year (Revised AS 43.23.005(d)).



FISCAL YEARS:

← Dividends Issued

The amount from the Permanent Fund that would have been paid during this fiscal year, had these individuals been eligible, is available for appropriation from the Permanent Fund in that same fiscal year to the crime victim compensation fund, the council on domestic violence and sexual assault, the court system, or the Department of Corrections (Revised AS 43.23.028(b)).



Cross references. — For legislative purpose and intent in enacting this section, see §§ 1, 2, ch. 11, SLA 1991 in the Temporary and Special Acts.

Effective dates. — Section 3, ch. 11, SLA 1991, which enacted this section.

took effect on August 28, 1991.

Editor's notes. — Section 4, ch. 11, SLA 1991 provides that this section applies to tax years beginning after December 31, 1991.

Article 5. General Provisions.

Section
310. 320. [Repealed]

Secs. 43.20.310, 43.20.320. Taxable years to which applicable; arrangement and classification. [Repealed, § 62 ch 21 SLA 1991.]

Chapter 23. Permanent Fund Dividends.

<p>Section</p> <p>05. Eligibility</p> <p>11. Application period</p> <p>15. Application and proof of eligibility</p> <p>16. Voter registration</p> <p>25. Amount of dividend</p> <p>28. Public notice</p> <p>35. Penalties and enforcement</p> <p>45. Dividend fund</p>	<p>Section</p> <p>55. Duties of the department</p> <p>65. Exemption of and levy on permanent fund dividends</p> <p>67. Claims of defaulted scholarship loans</p> <p>69. Assignments</p> <p>95. Definitions</p>
------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Sec. 43.23.005. Eligibility. (a) An individual is eligible to receive one permanent fund dividend each year in an amount to be determined under AS 43.23.025 if

- (1) the individual applies to the department;
 - (2) on the date of application the individual is a state resident;
 - (3) the individual was a state resident for at least the calendar year immediately preceding January 1 of the current dividend year;
 - (4) the individual has been physically present in the state at some time during the prior two calendar years before the current dividend year; and
 - (5) the individual is
 - (A) a citizen of the United States;
 - (B) an alien lawfully admitted for permanent residence in the United States;
 - (C) an alien with refugee status under federal law; or
 - (D) an alien that has been granted asylum under federal law.
- (b) *[Repealed, § 18 ch 4 SLA 1992.]*

(c) A parent, guardian, or other authorized representative may claim a permanent fund dividend on behalf of an unemancipated minor or on behalf of a disabled or an incompetent individual who is eligible to receive a payment under this section. Notwithstanding (a)(2) — (4) of this section, a minor is eligible for a dividend if, during the two calendar years immediately preceding the current dividend

year, the minor was born to or adopted by an individual who is eligible for a dividend for the current dividend year.

(d) Notwithstanding the provisions of (a) — (c) of this section, an individual who has been convicted of a felony is not eligible for a permanent fund dividend for a year when, during all or part of the previous calendar year, as a result of the conviction, the individual is incarcerated.

(e) [Repealed, § 64 ch 21 SLA 1991.]

(f) In a time of national military emergency, the commissioner may waive the requirement of (a)(4) of this section for an individual absent from the state under military orders while serving in the armed forces of the United States, or for the spouse and dependents of that individual. (§ 1 ch 102 SLA 1982; am § 1 ch 57 SLA 1987; am § 1 ch 54 SLA 1988; am § 1 ch 159 SLA 1988; am §§ 2, 3 ch 107 SLA 1989; am § 1 ch 68 SLA 1990; am §§ 46, 62 ch 21 SLA 1991; am § 1 ch 68 SLA 1991; am §§ 4 — 8, 18 ch 4 SLA 1992)

Cross references. — For the application deadlines for minors who qualified for a dividend for 1992 because of the 1992 amendment to (c) of this section, see § 19, ch. 4, SLA 1992 in the Temporary and Special Acts.

Effect of amendments. — The first 1991 amendment, effective June 11, 1991, substituted "12 consecutive months" for "24 consecutive months" in paragraph (a)(2) and repealed subsection (e).

The second 1991 amendment, effective June 20, 1991, added subsection (f).

The 1992 amendment, effective January 1, 1993, rewrote subsections (a), (c), and (d), repealed subsection (b), and made a paragraph reference substitution in subsection (f).

Editor's notes. — Under §§ 5 and 20, ch. 4, SLA 1992, from April 1, 1992, to January 1, 1993, and retroactive to January 1, 1992, the last sentence of (c) of this section read "Notwithstanding (a)(1)-(3) of this section, a minor is eligible for a dividend if, during the 24 months immediately preceding the current dividend year, the minor was born to or adopted by an individual who is eligible for a dividend for the current dividend year."

Legislative history reports. — For legislative letter of intent relating to the enactment of subsection (f) by § 1 ch. 68, SLA 1991 (HCS CSSB 98(FIN)), see 1991 Senate Journal, pages 256, 257.

NOTES TO DECISIONS

Constitutionality.

Subsection (d) does not violate the equal protection clause of the United States Constitution and/or the Alaska Constitution. *State v. Anthony*, 810 P.2d 155 (Alaska 1991).

Subsection (d), which makes incarcerated felons ineligible for permanent fund

dividends, does not violate the ex post facto clause of either the United States or the Alaska Constitutions. *State v. Anthony*, 816 P.2d 1377 (Alaska 1991).

Cited in *Morgan v. Department of Revenue*, 813 P.2d 295 (Alaska 1991); *Handley v. State, Dep't of Revenue*, 838 P.2d 1231 (Alaska 1992).

Sec. 43.23.011. Application period. An application for a permanent fund dividend shall be filed during the period that begins January 2 and ends March 31 of that dividend year. (§ 9 ch 4 SLA 1992)

filed for a previous year's dividend by the filing deadline but who were not included in a previous year's dividend computation;

(E) less appropriations from the dividend fund during the current year, including amounts to pay costs of administering the dividend program and the hold harmless provisions of AS 43.23.075;

(2) determining the number of individuals eligible to receive a dividend payment for the current year; and

(3) dividing the amount determined under (1) of this section by the amount determined under (2) of this section.

(b) *[Repealed, § 5 ch 68 SLA 1991.]* § 1 ch.102 SLA 1982; am § 1 ch 55 SLA 1983; am § 2 ch 43 SLA 1984; am § 2 ch 57 SLA 1987; am § 2 ch 54 SLA 1988; am § 4 ch 68 SLA 1990; am § 1 ch 198 SLA 1990; am § 5 ch 68 SLA 1991; am § 27 ch 134 SLA 1992)

Effect of amendments. — The 1991 amendment, effective June 20, 1991, repealed subsection (b).

The 1992 amendment, effective July 1, 1992, made a section reference substitution in subparagraph (a)(1)(A).

Sec. 43.23.028. Public notice. (a) By October 1 of each year the commissioner shall give public notice of the value of each permanent fund dividend for that year. The notice and the stub attached to each individual dividend check must disclose the amount

(1) of each dividend attributable to income earned by the permanent fund from deposits to that fund required under art. IX, sec. 15, Constitution of the State of Alaska;

(2) of each dividend attributable to income earned by the permanent fund from appropriations to that fund and from amounts added to that fund to offset the effects of inflation; and

(3) by which each dividend has been reduced due to each appropriation from the dividend fund, including amounts to pay the costs of administering the dividend program and the hold harmless provisions of AS 43.23.075.

(b) The notice requirements of (a) of this section do not apply to appropriations from the dividend fund to the crime victim compensation fund established under AS 18.67.162, to the council on domestic violence and sexual assault established under AS 18.66.010, or to the Department of Corrections to the extent that amounts appropriated for a fiscal year do not exceed the total amount that would have been paid during the previous fiscal year to individuals who are ineligible to receive dividends under AS 43.23.005(d) if they had been eligible. (§ 2 ch 198 SLA 1990; am § 3 ch 68 SLA 1991; am § 1 ch 82 SLA 1993)

Effect of amendments. — The 1991 amendment, effective June 20, 1991, added subsection (b).

The 1993 amendment, effective October 4, 1993, inserted "to the council on domes-

tic violence and sexual assault established under AS 18.66.010" and made punctuation changes in subsection (b).

Legislative history reports. — For House letter of intent relating to the en-

David,

The number of misdemeanors that we handle which result in conviction is roughly 14,000 each year. In addition, we handle roughly 3,000 probation revocations in misdemeanor cases. Because these revocation proceedings are usually simple and straightforward, we have not included them in the cost-per-case estimate calculated below.

The percentage of the attorney staff assigned to misdemeanor cases is roughly one-third, except in Anchorage where it is roughly one-quarter (most misdemeanor cases in Anchorage are handled by the municipal prosecutor's office).

The annual cost of misdemeanor prosecution is shown below, based on the FY 94 authorized budget. The costs fall into four components only, because misdemeanor cases are not handled by the components for special prosecutions and appeals or criminal justice litigation.

1st Jud. Dist.	1074 x 1/3 = 358
2nd Jud. Dist.	701 x 1/3 = 234
3rd -- Anch	2905 x 1/4 = 726
3rd -- all other	2784 x 1/3 = 928
4th Jud. Dist.	1956 x 1/3 = <u>652</u>
	2898 ÷ 14 = \$207.00

The misdemeanor cases fall into the following general categories. Next to each is the number of cases (rounded to the nearest hundred) that were sent to prosecution offices by police agencies in FY 93 to be reviewed for possible prosecution.

Assault	3300
Property Offens	2500
Disorderly Conduct/ Harrassment	700
Liquor Offenses	1700
Drug Offenses	500
Fish & Game	800
DWI	4200
Driv w/ Susp Lic	2400
Reckless/Neg Driv	200
Oth Driv Offenses	1900
All Other Misd Crimes	1600
Probation Revocation	<u>3300</u>
	23100

Attached is a listing of the crimes (and some other provisions) in Title 4 (alcohol), Title 11 (criminal code), Title 12 (criminal procedure), Title 16 (fish and game) and Title 28 (motor vehicles). The most common misdemeanors are highlighted. For your convenience, I have also included a copy of our criminal law manual, which contains all these provisions. In addition, however, there are a number of other offenses (usually punishable by fines only) that appear in regulations adopted by the Department of Fish and Game (related to hunting and fishing) and the Department of Public Safety (relating to motor vehicles, rules of the road, etc.)

Let me know if you have further questions.

Dean Guaneli

WALTER J. HICKEL, GOVERNOR

DEPARTMENT OF PUBLIC SAFETY
DIVISION OF ADMINISTRATIVE SERVICES

Richard L. Burton
Commissioner

P.O. BOX 111200
JUNEAU, ALASKA 99811 1200
PHONE (907)465-4336

April 13, 1994

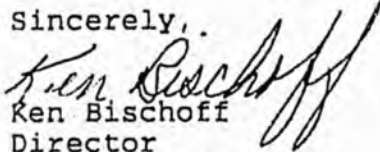
The Honorable Steve Frank
Co-chair, Senate Finance Committee
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear Senator Frank:

In response to your staff's request to "estimate the average cost imposed on the Department of Public Safety by a misdemeanor arrest", a ballpark estimate is \$300 per arrest [5 hours X \$60 per hour]. The average time spent on a misdemeanor arrest can vary widely depending on whether it occurs in the bush or on a road system, the local court system's arraignment process, whether there is a state correctional institution or local contract jail nearby, and of course, the type of offense. The amount of time spent investigating a case can vary greatly. An "on sight" arrest can be very quick, but a theft case may take much time to investigate to the point of arrest. Also, violent offenses typically take much more time than a simple case.

Management reports are based on cases reported, and of course, not all cases result in an arrest, so it is not practical at this time to be definitive about the average time involved in a misdemeanor arrest. The most common misdemeanor arrest, Driving While Intoxicated, probably takes about three to four hours on the average. Some misdemeanor arrests take up to 60 hours of Trooper time. The 5 hour per arrest average is probably a low estimate.

The Alaska State Troopers currently contract with the US Forest Service to provide law enforcement in certain areas at a rate of \$60 per hour [which includes salary, benefits, and some support costs]. This rate has not been adjusted in recent years, and is due to be raised, but can be used as a rough estimate of the cost for an hour of Trooper time, a low estimate when all costs are taken into consideration.


Sincerely,

Ken Bischoff
Director

MEMORANDUM

STATE OF ALASKA

DEPARTMENT OF CORRECTIONS

TO: David Skidmore
Legislative Assistant to Senator Steve Frank

FROM: Diane Schenker 
Special Assistant to the Commissioner

DATE: April 13, 1994

This memorandum is in response to your question regarding the average length of stay in a correctional center for a misdemeanor. According to Steve Schwartz, our Research Analyst, the average length of incarceration for a misdemeanor is 8.7 days.

This average was calculated based upon a formula used by the National Institute of Corrections, using the Department's OBSCIS data from calendar year 1993, as follows:

559 (1993 average daily population of misdemeanants, both pretrial and sentenced) X 365 (days per year) divided by 23,468 (1993 total admissions for misdemeanants) = 8.7 days, average length of stay.

The average daily cost of care, including state correctional beds as well as community residential center beds, is \$98 per day. Therefore, incarceration for the average misdemeanor costs the department \$852.60 (\$98 X 8.7).

M E M O R A N D U M

DATE: 4-14-94
TO: Senator Steve Frank
FROM: John B. Salemi, Public Defender
RE: Average cost of Misdemeanor case

Per your 4-13-94 request, this memo contains the Alaska Public Defender Agency's best guess as to the average cost of providing legal representation for a client charged with a misdemeanor level offense. Please be advised that this estimate was prepared with less than one day's notice. It is also noteworthy that misdemeanor charges vary greatly, and therefore there really is no such thing as an average misdemeanor case. Finally, this estimate is not generated by computer number-crunching, but based on the collective experience of the attorneys presently handling misdemeanors in our Anchorage office. No information was gathered from our rural offices. Here goes:

ATTORNEY TIME

1. File review and client interview(s): 1.5 hours
 2. Pre-trial motion review, drafting, research: 1.0 hours
 3. Negotiations, phone calls, bail hearing(s): 1.0 hours
 4. Change of plea hearing (preparation and court): .75 hours
- TOTAL: 4.25 HOURS

A staff attorney doing misdemeanor cases is paid a salary which is the equivalent of \$22.38/hour. $4.25 \times \$22.38 = \95.12 .

The remaining costs on an "on average basis" are even more speculative. Secretary time, photocopying, equipment costs, lease space expenses--the list of overhead items and allocation to misdemeanor work cannot be readily determined. Neither should it be ignored or minimized. So, a wild guess: \$100/case.

In summary, a quick, best guess, based on attorney-generated information (as opposed to statistical analysis) is approximately \$200 per case.

I hope this helps. Call if you would like to discuss this issue.

REPRESENTATIVE LIST OF MISDEMEANORS

ALCOHOLIC BEVERAGES

Failure to obtain required license or permit
Possession or consumption of alcohol by persons under the age of 21
Furnishing or delivery of alcoholic beverages to persons under 21

CRIMINAL LAW

Assault in the fourth degree
Reckless endangerment
Theft in the third degree
Theft in the fourth degree
Criminal trespass in the first degree
Criminal trespass in the second degree
Criminal mischief in the third degree
Criminal mischief in the fourth degree
Escape in the fourth degree
Unlawful evasion in the first degree
Unlawful evasion in the second degree
Resisting or interfering with arrest
Violating a domestic violence restraining order
Disorderly conduct
Harassment
Misconduct involving weapons in the fourth degree
Misconduct involving weapons in the fifth degree
Misconduct involving a controlled substance in the fifth degree
Misconduct involving a controlled substance in the sixth degree
Violation of conditions

FISH AND GAME

Strict liability commercial fishing penalties
Misdemeanor commercial fishing penalties
Wanton waste of big game animals and wild fowl

MOTOR VEHICLES

Driving without a drivers license
Driving on a suspended, revoked, or limited drivers license
Operating a vehicle, aircraft, watercraft, or commercial motor vehicle while intoxicated
Refusal to submit to chemical test
Reckless driving
Negligent driving

MUNICIPALITY OF ANCHORAGE

MEMORANDUM

DATE: April 26, 1994
TO: Joe Hayes, MOA Lobbyist
FROM: *DM* Daniel Moore, MOA
SUBJECT: CSHB 392 (FIN) am - Permanent Fund Records Confidentiality

Regarding the bill, the comments previously sent to you which expressed the Municipality of Anchorage's concern over section 15(f) regarding Social Security numbers seem to be no longer of concern after talking to Rich Vitale of Representative Parnell's office.

Per conversation with Rich, the legislative intent allows the MOA to continue being able to access Social Security numbers submitted to the State via Permanent Fund Applications. Rich asserted that all individuals who apply for permanent fund dividends will see on their application that the Municipality is authorized to access an individual's social security number if that individual has so provided.

A greater concern that may resurface lies with an amendment proposed by Representative Kay Brown on the House-side, but which failed. Representative Brown's amendment may be proposed again on the Senate side at tomorrow's Senate Finance Committee meeting at 9:00 a.m. The Municipality strongly opposes this amendment which would make it more restrictive and cumbersome for the Municipality to collect on civil judgments. Per Representative Brown's office, this amendment is needed to protect individual privacy and to that end Representative Brown believes the Municipality should be required to seek additional court approval on a case by case basis for civil matters prior to accessing Permanent Fund Dividend records; this represents an unnecessary, unjustifiable restriction imposed on the Municipality.

In speaking with the MOA's Treasury Department and Risk Management Department, hundreds of thousands of dollars are collected on past due claims and debts, many of which are based on civil judgments. Permanent fund records have proven to be a reliable, effective source of information that enables the MOA to collect many of the debts owed to us. Should we be severely restricted in our ability to access Permanent Fund records for purposes of collection, the MOA would likely lose a substantial portion of its collection revenues. We see no justification for why the Municipality should be hindered and given less priority to the dividend records, as compared to other government agencies.

Per Rich Vitale, either you or Rich should be present tomorrow (4/27) at the 9:00 a.m. Senate Finance Committee to oppose any such amendments that would be detrimental to the Municipality.

Please make personal contact with Rich, if possible, before tomorrow morning's meeting.

cc: Rich Vitale, Representative Parnell's office

Tegis/mdm12

Post-It™ brand fax transmittal memo 7671 # of pages > 1

To	Joe Hayes	From	Dan Moore
Co.		Co.	
Dept.		Phone #	343-4207
Fax #			

Representative Kay Brown

ALASKA STATE LEGISLATURE

Legislative Information Office
3111 C Street
Anchorage, Alaska 99503
(907) 561-7627

During Session
State Capitol
Juneau, Alaska 99801-1182
(907) 465-4998

TO: Members of the Senate Finance Committee
FROM: Rep. Kay Brown
DATE: April 22, 1994
SUBJECT: Proposed amendment to CS HB 392 (FIN)
concerning protection of personal privacy

I would appreciate your consideration of the attached amendment.

I have been working with Rep. Parnell, PFD Division Director Tom Williams, state agency managers, and others to address the protection of personal privacy since this issue came to light during the bill's hearing in House Finance.

Computer matching of personal information collected by the dividend division has increased greatly in recent years. The Permanent Fund dividend file has become a preeminent tool for identifying and locating Alaskans. While this is a positive development in some contexts, the widespread use of Alaskans' personal information, with little control, opens many possibilities for misuse and invasion of privacy.

The Constitution (Article I, Sec. 22) requires the legislature to implement "the right of the people to privacy," but little has been done. The attached paper discusses concerns about computer matching of the kind done with Alaskans' PFD personal information.

This amendment would tighten up provisions in the bill by limiting uses of personal information to those listed.

I would welcome the opportunity to answer any questions. Thank you for your consideration.

DISTRICT 15

Downtown • Fairview • Northstar • Romig • South Addition • Spenard

printed on recycled paper

A M E N D M E N T

OFFERED IN THE SENATE

TO: CSHB 392(FIN).am

Page 9, line 7, after "AS 24.55.160 - 24.55.170":

Insert ", required to administer the permanent fund dividend program (AS 43.23.005 - 43.23.095),"

Page 9, lines 29 - 31:

Delete all material and insert:

"(4) to the Department of Revenue, child support enforcement division, information for use in the collection of money owed to the division or another, or for use in a child support investigation by the division;

(5) to the Department of Law, information for use in the collection of money owed to the state, or for use in an investigation by the state;

(6) to the Alaska Commission on Postsecondary Education, information for use in the collection of money owed to the commission, or for use in an investigation by the commission;

(7) to the Department of Health and Social Services, information needed to administer the following programs:

(A) public assistance under AS 47.05 and AS 47.25;

(B) medical assistance under AS 47.07;

(C) care of children under AS 47.10.230 - 47.10.260;

(D) hold harmless under AS 43.23.075;

(E) Social Security Act Supplemental Security Income Program under 42 U.S.C. 1381 - 1383;

(8) to the Department of Revenue, information for use in locating individuals for which the division has unclaimed property;

(9) to the Department of Labor, information for use in determining

compliance with resident hire requirements, determining work force demographics, and identifying unemployment insurance fraud;

(10) to a municipality, the state, or the federal government, information for use in the collection of money owed to the requesting government or for use in an investigation by the requesting government if the department receives a

(A) court order directing that the information be released;

(B) court order directing payment of a debt to the state; or

(C) request from the municipal, state, or federal government and the information is sought in connection with a criminal investigation by the requesting government;

(11) to a municipality, the state, or the federal government, information to which an applicant has authorized access as a condition of participation in a government program;

(12) to the Internal Revenue Service, information for use in the collection of money owed to the federal government or for use in an investigation by the Internal Revenue Service;"

Renumber the following paragraphs accordingly.

Privacy Implications of Computer Matching:

Loss of Control of Personal Information:

An individual should have control over the use of his/her personal information. This privacy principle is violated when personal information that was collected for one purpose (e.g., filing a permanent fund dividend application) is used for another purpose.

Increased exchanges and manipulation of information held by computer databases also makes it difficult for an individual to know what personal information is maintained by an institution. The use of computer matching and the "extension of bureaucratic surveillance power through computerization" is shifting the balance between the rights of individuals and the information needs of the government, away from the individual. It also creates the unusual situation where the computer becomes an informant, making avenues of redress and the ability to face one's accuser difficult.

Search and Seizure:

[Computer matching] is like investigators entering a home without any warrant or prior suspicion, taking away some or all of the contents, looking at them, seeing what is of interest and returning the rest, all without the knowledge of the occupier. [Australian Privacy Commissioner]

To fully understand this allegation and why computer matching is viewed as a violation of individual rights, it is necessary to grasp the differences between a computer matching investigation and a traditional law enforcement investigation. A traditional investigation is generally triggered by some evidence that a person is possibly engaged in wrongdoing. A computer match is not bound by this limitation. It is directed not at an individual, but at an entire category of persons. It is random in nature as it is not initiated because any person is suspected of misconduct, but because a category (e.g., welfare recipients) is of interest to the government. What makes computer matching fundamentally different from a traditional investigation is, therefore, that its very purpose is to generate the

ALASKA DEPARTMENT OF REVENUE
PERMANENT FUND DIVIDEND DIVISION
AGENCIES AND INSTITUTIONS RECEIVING PFD DATA

As of February 18, 1993

I. STATE OF ALASKA AGENCIES

A. Alaska Court System (ACS)

1. Preparing jury lists

Each September, as required by AS 09.20.050(b), the PFD Division creates and sends the ACS a magnetic tape file containing the name, address, date of birth, and social security number for all current year applicants who will be over seventeen years old by March, are U.S. citizens, and have an Alaska address.

B. Department of Administration. Division of Finance (DOF)

1. Accounting for PFD warrants

Each week, the PFD Division creates and sends the DOF a magnetic tape file containing the name, warrant issue amount, warrant date, warrant number and social security number for each dividend warrant issued that week. The DOF inputs the information into the state accounting system where it controls the redemption of the PFD warrants and establishes an accounting audit trail.

C. Department of Education. Alaska Commission on Postsecondary Education (ACPE)

1. Submitting dividend attachments and garnishments

Each June, the PFD Division creates and sends the ACPE a magnetic tape file containing the name, address, date of birth, social security number, and record key for all current year filers over sixteen years old. Prior to October the ACPE returns a tape file that contains a record for each dividend they wish to attach. The ACPE's file contains a copy of the record the PFD Division supplied, with an appended garnishment amount and case number. The ACPE also supplies a printout of the tape and a document certifying that the garnishments are accurate and legal. The PFD Division makes payment on the garnishments as the dividends are processed for payment.

D. Department of Health and Social Services. Division of Public Assistance (DPA)

1. Administering the Hold Harmless program

Each week, the PFD Division creates and sends the DPA a magnetic tape file containing the name, address, date of birth, social security number, sponsor

Agencies and Institutions Receiving PFD Data

As of February 18, 1993

information, payment amount and payment date for the dividends issued that week. In January, the PFD Division creates and sends the DPA a complete payment file containing the same data along with the warrant numbers.

E. Department of Labor. Division of Administrative Services. Research and Analysis Section (DOL)

1. Determining compliance with resident hire requirements, determining work force demographics, and identifying unemployment insurance fraud

Each June, the PFD Division creates and sends the DOL a magnetic tape file containing the name, address, date of birth, social security number, household packet key, sponsor information, eligibility information, military indicator, absence data, sex and fraud indicator for all current year applicants.

F. Department of Law. Civil Division. Anchorage Collections Section (DL)

1. Submitting dividend attachments and garnishments

Each June, the PFD Division creates and sends the DL a disk file containing the name, address, date of birth, social security number, and record key for all current year adult applicants. The PFD Division makes payment on the garnishments as the dividends are processed for payment.

2. Submitting dividend assignments made under the Rules of Court

Each June, the PFD Division creates and sends the DL a magnetic tape file containing the name, address, date of birth, social security number, and record key for all current year adult applicants. The DL uses this file to ensure individuals who are required to assign their dividend have actually applied for a dividend. The PFD Division makes payment on the garnishments as the dividends are processed for payment.

G. Department of Natural Resources. Division of Land and Water Management (DLWM)

1. Verifying residency qualifications for land discount programs

Each June, the PFD Division creates and sends the DLWM a magnetic tape file containing the name, address, date of birth, and social security number for all current year adult applicants.

Agencies and Institutions Receiving PFD Data

As of February 18, 1993

H. Department of Public Safety (DPS)

1. Identifying and locating individuals

The PFD Division provides on-line access to the name, address, date of birth, social security number, birth state, birth name and packet application information for all applicants via the *PFD Information System* to 17 Alaska State Troopers staff and 2 Fish and Wildlife Protection staff.

I. Department of Revenue. Child Support Enforcement Division (CSED)

1. Identifying and locating individuals

The PFD Division provides on-line access to the name, address, date of birth, social security number, birth state, birth name and packet application information for all applicants via the *PFD Information System* to 80 CSED staff.

2. Submitting dividend attachments and garnishments

Each June, the PFD Division creates and sends the CSED a magnetic tape file containing the name, address, date of birth, social security number and record key for all current year adult applicants. Prior to October the CSED returns a tape file that contains a copy of the record the PFD Division supplied, with an appended garnishment amount and case number. The CSED also supplies a printout of the tape and a document certifying that the garnishments are accurate and legal. The PFD Division makes payment on the garnishments as the dividends are processed for payment.

J. Department of Revenue. Income & Excise Audit Division (IEAD)

1. Identifying and locating individuals

The PFD Division provides on-line access to the name, address, date of birth, social security number, birth state, birth name and packet application information for all applicants via the *PFD Information System* to 9 IEAD staff, including Unclaimed Property Section staff.

K. Office of the Lt. Governor. Division of Elections (DE)

1. Conducting voter registration drives

Upon request, the PFD Division creates and sends the DE a magnetic tape file containing the name, address, date of birth, and social security number for all current year applicants who are over eighteen years old.

Agencies and Institutions Receiving PFD Data

As of February 18, 1993

L. University of Alaska. Advanced College Tuition (ACT) Program

1. Administering the ACT program

Each month, the PFD Division creates and sends the UOA a diskette containing the name, address, social security number and date of birth of applicants who have elected to contribute half of their PFD to the ACT program.

II. FEDERAL GOVERNMENT AGENCIES

A. Internal Revenue Service (IRS)

1. Identifying and locating individuals

Upon request, the PFD division provides copies of applications to the IRS as well as copies of the front and back of redeemed warrants. The division blanks out all direct deposit account information appearing on 1993 and subsequent year applications.

Prior to 1993, each July the PFD Division also provided two microfilm copies of each application along with microfiche copies of a record of each applicant's name, social security number, date of birth and PFD Division Document Locator Number (DLN) sorted alphabetically by last name. Since disclosure of applicants' direct deposit account information contained on the face of the application is precluded by the confidentiality requirements of 15 AAC 23.253(c), in 1993 the PFD Division discontinued sending the IRS microfilm copies of all applications.

2. Submitting levies of dividends

Each June, the PFD Division creates and sends the IRS a magnetic tape file containing the applicant's name, address, date of birth, social security number and record key for all current year applicants. Prior to October the IRS returns a tape file that contains a copy of the record the PFD Division supplied, with an appended levy amount and case number. The IRS also supplies a single levy and a document certifying that the tape file is correct and that the levy of each dividend contained on the file is accurate and legal. The PFD Division makes payment on the garnishments as the dividends are processed for payment.

Agencies and Institutions Receiving PFD Data

As of February 18, 1993

3. Ensuring compliance with federal income tax reporting requirements

Each January, the PFD Division sends the IRS a magnetic tape file containing the applicant's name, address, social security number, the amount paid and the amount withheld for all applicants paid during the prior calendar year in an IRS Form 1099 format as required by federal law.

B. Selective Service Commission (SSC)

1. Ensuring compliance with draft registration requirements

Upon request, the PFD Division creates and sends the SSC a magnetic tape file containing the name, address, date of birth, and social security number for all current year male applicants between seventeen and twenty-eight years old.

III. MUNICIPAL GOVERNMENTS

A. Municipality of Anchorage (MOA)

1. Submitting dividend attachments and garnishments and dividend assignments made under the Rules of Court

Each June, the PFD Division creates and sends the MOA a magnetic tape file containing the name, address, date of birth, social security number and record key for all current year adult applicants. The MOA includes the applicant's record key on all paper services sent to the PFD Division.

IV. FINANCIAL INSTITUTIONS

A. Participating Alaska Financial Institutions (PAFI)

1. Ensuring requesting PFD applicants qualify for direct deposit

Each June, the PFD Division creates and sends each of the PAFIs a magnetic tape or disk file containing the applicant's name, address, date of birth, social security number, and account number for all current year adult and child applicants who have requested to have their dividend directly deposited into a PAFI account. The PAFIs use the information verify that the applicant qualifies for direct deposit in accordance with 15 AAC 23.223(b)(4).

HVB

397

HFIN

FILE

HOUSE COMMITTEE REPORT

(11)
Date RETURNED: February 22, 1994

FURTHER REFERRALS:

Date of Committee Action: 3/4/94

The FINANCE Committee considered:

SSHB 397

SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 397 TAXING POWER OF SECOND CLASS CITIES

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

RECOMMENDATIONS:

be replaced with SSSB 397 (Fin) the same title a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept)

APPROVES PREVIOUS: (Dept/Date)

fiscal impact _____

fiscal note(s) _____

zero fiscal note _____

zero fiscal note(s) CRB, 2/4/94

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Eileen Machean</i> ^{Machean}	<input checked="" type="checkbox"/>	<i>Ronald J. Larson</i>		X	
<i>Ben Grussendorf</i>	X	<i>Mark Hanley</i>		X	X
<i>Richard Foster</i>	X	<i>Terry Martin</i>			X
		<i>Leah Parrnell</i>			X
		<i>Mike Savare</i>		✓	
		<i>Lay Brown</i>		✓	
		<i>Leah Therriault</i>			X
		<i>Therriault</i>			

Ronald J. Larson *EP Machean*
CHAIRMAN'S SIGNATURE

Revision Date: _____ Dept. Affected: Community & Regional Affairs
 Title: "An Act relating to the power to levy BRU: _____
property taxes in second class cities." Component: _____
 Sponsor: Representative Olberg
 Requestor: House C&RA COMPONENT SERIAL NO. _____

Expenditures/Revenues: (Thousands of Dollars)

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

CAPITAL						
---------	--	--	--	--	--	--

REVENUE FUND SOURCE:						
----------------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

Estimate of current (FY94) Impact \$ none

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Remond Handerson Director Phone: 465-4708
 Division: Administrative Services Date: 1/31/94
 Approved by Commissioner: [Signature] Deputy Commissioner Date: 1/31/94
 Agency: Community & Regional Affairs

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COMMITTEE COPY

HOUSE COMMITTEE REPORT

(11)

Date RETURNED: February 22, 1994

FURTHER REFERRALS:

Date of Committee Action: 3/4/94

The FINANCE Committee considered:

SSHB 397

SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 397 TAXING POWER OF SECOND CLASS CITIES

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

RECOMMENDATIONS:

be replaced with SSSB 397 (Fin) the same title
 a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept)

APPROVES PREVIOUS: (Dept/Date)

fiscal impact _____

fiscal note(s) _____

zero fiscal note _____

zero fiscal note(s) CR 2/2/94

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Eileen Machean</i> ^{Machean}	<input checked="" type="checkbox"/>	<i>Ronald J. Larson</i>		X	
<i>Ben Grussendorf</i> ^{Grussendorf}	X	<i>Mark Hanley</i> ^{Hanley}		X	X
<i>Richard J. Foster</i> ^{Foster}	X	<i>Terry Martin</i> ^{Martin}			X
		<i>Sedra Parrell</i> ^{Parrell}			X
		<i>Mike Navare</i> ^{Navare}		✓	
		<i>Lay Brown</i> ^{Brown}		✓	
		<i>Larry Therriault</i> ^{Therriault}			X

Ronald J. Larson *E.P. Machean*
 CHAIRMAN'S SIGNATURE

CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 397(FIN)
IN THE LEGISLATURE OF THE STATE OF ALASKA
EIGHTEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): REPRESENTATIVE OLBERG

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the power to levy property taxes in second class cities."

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

3 * Section 1. AS 29.45.590 is amended to read:

4 Sec. 29.45.590. LIMITED PROPERTY TAXING POWER FOR SECOND
5 CLASS CITIES. A second class city may [BY REFERENDUM] levy property taxes
6 as provided for first class cities. However, levy by a second class city may not exceed
7 two [ONE-HALF OF ONE] percent of the assessed value of the property taxed, except
8 that the limit does not apply to a levy necessary to avoid a default upon payment of
9 principal and interest of bonded or other indebtedness that is secured by a pledge to
10 levy ad valorem or other taxes without limit to meet debt payments.

Revision Date: _____ Dept. Affected: Community & Regional Affairs
 Title: "An Act relating to the power to levy BRU: _____
property taxes in second class cities." Component: _____
 Sponsor: Representative Olberg
 Requestor: House C&RA COMPONENT SERIAL NO. _____

Expenditures/Revenues:

(Thousands of Dollars)

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

CAPITAL						
---------	--	--	--	--	--	--

REVENUE FUND SOURCE:						
----------------------	--	--	--	--	--	--

FUNDING:

(Thousands of Dollars)

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

POSITIONS:

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

Estimate of current (FY94) Impact \$ none

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Remond Henderson Director Phone: 465-4708
 Division: Administrative Services Date: 1/31/94
 Approved by Commissioner: [Signature] Deputy Commissioner Date: 1/31/94
 Agency: Community & Regional Affairs

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ADOPTED

AMENDMENT #1

OFFERED IN THE HOUSE
TO: SSHB 397

BY REPRESENTATIVE OLBERG

Page 1, line 4, through page 2, line 30:

Delete all material and insert:

** Section 1. AS 29.45.590 is amended to read:

Sec. 29.45.590. LIMITED PROPERTY TAXING POWER FOR SECOND CLASS CITIES. A second class city may [BY REFERENDUM] levy property taxes as provided for first class cities. However, levy by a second class city may not exceed two [ONE-HALF OF ONE] percent of the assessed value of the property taxed, except that the limit does not apply to a levy necessary to avoid a default upon payment of principal and interest of bonded or other indebtedness that is secured by a pledge to levy ad valorem or other taxes without limit to meet debt payments.

~~Sec. 2.~~ AS 29.45.600 is repealed."

Y	N
III	II
IX	
8	2



March 4, 1994

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

FROM: Chrystal Smith, Director of Member Services, AML

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

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

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

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

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

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

With regard to the proposed amendments:

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

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

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

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

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

Enclosure

Resolution of the Alaska Municipal League

Resolution No. 94-11

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

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

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

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

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

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

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


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

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



Rosalee T. Walker, President

ATTEST:



Kent E. Swisher, Executive Director

HOUSE COMMITTEE REPORT

(11)

Date Referred: February 4, 1994

FURTHER REFERRALS:

Date of Committee Action: 2/17/94

The FINANCE Committee considered:

SSHB 397

SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 397 TAXING POWER OF SECOND CLASS CITIES

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

RECOMMENDATIONS: SS HB 397 the same title
 be replaced with _____ a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(s): _____ (Dept)

APPROVES PREVIOUS: _____ (Dept/Date)

fiscal impact _____

fiscal note(s) _____

zero fiscal note _____

zero fiscal note(s) CEA

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Donald J. Larson</i>	(S)				
<i>Terry Martin</i>	Martin				
<i>[Signature]</i>	Hoffman	<i>Sean Parnell</i>			X
<i>[Signature]</i>	Hoffman	<i>Mike Spavone</i>			X
<i>Kay Brown</i>	Brown				
<i>[Signature]</i>	Mackean				
<i>Richard [Signature]</i>	X				

EP Mackean
 CHAIRMAN'S SIGNATURE

Revision Date: _____ Dept. Affected: Community & Regional Affairs
 Title: "An Act relating to the power to levy BRU: _____
property taxes in second class cities." Component: _____
 Sponsor: Representative Olberg
 Requestor: House C&RA COMPONENT SERIAL NO. _____

Expenditures/Revenues: (Thousands of Dollars)

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

CAPITAL						
---------	--	--	--	--	--	--

REVENUE FUND SOURCE:						
----------------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

Estimate of current (FY94) Impact \$ none

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Remond Henderson Director Phone: 465-4708
 Division: Administrative Services Date: 1/31/94
 Approved by Commissioner: [Signature] Deputy Commissioner Date: 1/31/94
 Agency: Community & Regional Affairs

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SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 397
 IN THE LEGISLATURE OF THE STATE OF ALASKA
 EIGHTEENTH LEGISLATURE - SECOND SESSION

BY REPRESENTATIVE OLBERG

Introduced: 2/2/94

Referred: Community & Regional Affairs, Finance

A BILL

FOR AN ACT ENTITLED

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

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

4 * Section 1. AS 29.45.010(b) is amended to read:

5 (b) A home rule, [OR] first class, or second class city may levy a property tax
 6 subject to AS 29.45.550 - 29.45.560. [A SECOND CLASS CITY MAY LEVY A
 7 PROPERTY TAX SUBJECT TO AS 29.45.590.]

8 * Sec. 2. AS 29.45.550 is amended to read:

9 Sec. 29.45.550. CITIES OUTSIDE BOROUGHES. Home rule, [AND] first
 10 class, and second class cities outside boroughs may assess, levy, and collect a
 11 property tax. A property tax if levied must be assessed, levied, and collected as
 12 provided by AS 29.45.010 - 29.45.500.

13 * Sec. 3. AS 29.45.560 is amended to read:

14 Sec. 29.45.560. CITIES INSIDE BOROUGHES. Home rule, [AND] first class,

1 and second class cities inside boroughs may levy a property tax. A property tax, if
2 levied, is subject to AS 29.45.010 - 29.45.050, 29.45.090 - 29.45.100, 29.45.250,
3 29.45.400 - 29.45.440 and 29.45.460 - 29.45.500. The council shall by June 15 of
4 each year present to the assembly a statement of the city's rate of levy unless a
5 different date is agreed upon by the borough and city.

6 * Sec. 4. AS 44.85.410(3) is amended to read:

7 (3) "municipal bond" means a bond or note or evidence of debt that
8 constitutes

9 (A) a general obligation bond that is a direct and general
10 obligation of a political subdivision of the state, all the taxable property within
11 which is subject to taxation to pay the bond, note, or evidence of debt, and the
12 interest without limitation, as to rate or amount generally to the extent
13 permitted by law [OR TO AVOID A DEFAULT AS PROVIDED FOR
14 SECOND CLASS CITIES UNDER AS 29.45.590];

15 (B) a revenue bond, except a revenue bond for electrical
16 generation purposes other than diesel-powered generation, issued by a
17 municipality or a port authority that pledges the revenue of a
18 revenue-producing capital improvement and that is payable solely from the
19 revenue of the revenue-producing capital improvement;

20 (C) a general obligation bond or revenue bond combined or
21 additionally secured;

22 (D) a bond of a borough issued as a general obligation of a
23 service area under AS 29.47.440 or former AS 29.58.340; or

24 (E) an obligation of a municipality secured only by

25 (i) special assessments on benefited property;

26 (ii) tax increments and a letter of credit or equal
27 security; or

28 (iii) a lease for equipment or building improvements if
29 the state is not a lessee;

30 * Sec. 5. AS 29.45.590 and 29.45.600 are repealed.

ALASKA STATE LEGISLATURE



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

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

Representative Harley Olberg

SPONSOR SUMMARY SSHB 397

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

NEED FOR THE LEGISLATION

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

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

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

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

1. AMENDS CURRENT STATUES GIVING AUTHORITY FOR HOME RULE AND FIRST CLASS CITIES TO LEVY A PROPERTY TAX TO INCLUDE SECOND CLASS CITIES AND GIVING THEM TAXATION POWERS EQUAL TO THOSE OF HOME RULE AND FIRST CLASS CITIES.
2. REPEALS CURRENT STATUES LIMITING THE POWER OF SECOND CLASS CITIES TO LEVY REAL AND PERSONAL PROPERTY TAXES.
3. REPEALS A CURRENT STATUE WHICH WOULD BE IRRELVANT IF ALL CITIES ARE TREATED AS EQUAL IN THEIR POWER TO LEVY PROPERTY AND PERSONAL PROPERTY TAXES.
4. REPEALS LANGUAGE REFERENCING AS 29.45.590 AND 29.45.600 WHICH IS REPEALED UNDER SSHB 397.

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

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

First Class City

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

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

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

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

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

Second Class City

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

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

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

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

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

Summary of Municipal Powers

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

* Only applies to cities outside of an organized borough.

Summary of City Government

TYPE OF CITY CLASSIFICATION

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

Organized Boroughs and Home Rule Municipalities

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

Cities Within Organized Boroughs

Aleutian East Borough	
Akutan	Second Class
Cold Bay	Second Class
False Pass	Second Class
King Cove	First Class
Sand Point	First Class
Denali Borough	
Anderson	Second Class
Fairbanks North Star Borough	
Fairbanks	Home Rule
North Pole	Home Rule
Kenai Peninsula Borough	
Homer	First Class
Kachemak	Second Class
Kenai	Home Rule
Seldovia	First Class
Seward	Home Rule
Soldotna	First Class
Ketchikan Gateway Borough	
Ketchikan	Home Rule
Saxman	Second Class
Haines Borough	
Haines	First Class
Kodiak Island Borough	
Akhiok	Second Class
Kodiak	Home Rule
Larsen Bay	Second Class
Old Harbor	Second Class
Ouzinkie	Second Class

Lake and Peninsula Borough	
Chignik	Second Class
Newhalen	Second Class
Nondalton	Second Class
Port Heiden	Second Class
Matanuska-Susitna Borough	
Houston	Second Class
Palmer	Home Rule
Wasilla	First Class
North Slope Borough	
Anaktuvuk Pass	Second Class
Atkasuk	Second Class
Barrow	First Class
Kaktovik	Second Class
Nuiqsut	Second Class
Point Hope	Second Class
Wainwright	Second Class
Northwest Arctic Borough	
Ambler	Second Class
Buckland	Second Class
Deering	Second Class
Kiana	Second Class
Kivalina	Second Class
Kobuk	Second Class
Kotzebue	Second Class
Noorvik	Second Class
Selawik	Second Class
Shungnak	Second Class

Local Government Directory

Municipalities and Boroughs

<p>Aleutians East Borough Second Class Borough P.O. Box 349 Sand Point 99661 383-2699/ fax: 383-3496 Incorporated: 10/23/87 Population: 2,745</p> <p>Municipality of Anchorage Unified Home Rule Municipality P.O. Box 196650 Anchorage 99519-6650 343-4431/ fax: 258-5210 Incorporated: Sept. 1975 Population: 240,258</p> <p>Bristol Bay Borough Second Class Borough P.O. Box 189 Naknek 99633 246-4224/ fax: 246-6633 Incorporated: 10/02/62 Population: 1,415</p> <p>Denali Borough Home Rule Borough P.O. Box 480 Healy 99743 683-1330/ fax: 683-1340 Incorporated: 12/07/90 Population: 1,832</p> <p>Fairbanks North Star Borough Second Class Borough P.O. Box 71267 Fairbanks 99707 452-4761/ fax: 459-1102 Incorporated: 1/01/64 Population: 79,730</p> <p>Haines Borough Third Class Borough Box 1209 Haines 99827 766-2711/ fax: 766-2716 Incorporated: 8/29/68 Population: 2,212</p>	<p>City and Borough of Juneau Unified Home Rule Municipality 155 S. Seward Street Juneau 99801 586-5278 fax: 586-5385 Incorporated: 7/01/70 Population: 29,251</p> <p>Kenai Peninsula Borough Second Class Borough 144 N. Binkley St. Soldotna 99669 262-4441/ fax: 262-1892 Incorporated: 1/01/64 Population: 42,242</p> <p>Ketchikan Gateway Borough Second Class Borough 344 Front Street Ketchikan 99901 228-6625/ fax: 247-6625 Incorporated: 9/06/63 Population: 14,110</p> <p>Kodiak Island Borough Second Class Borough 710 Mill Bay Road Kodiak 99615 486-5736/ fax: 486-9374 Incorporated: 9/24/63 Population: 15,535</p> <p>Lake and Peninsula Borough Home Rule Borough P.O. Box 495 King Salmon 99613 246-3421/ fax: 246-6602 Incorporated: 4/24/89 Population: 1,722</p>	<p>Matanuska-Susitna Borough Second Class Borough 350 E. Dahlia Ave. Palmer 99645-6488 745-4801/ fax: 745-086 Incorporated: 1/01/64 Population: 41,797</p> <p>North Slope Borough Home Rule Borough P.O. Box 69 Barrow 99723 852-2611/ fax: 852-033 Incorporated: 7/01/72 Population: 8,578</p> <p>Northwest Arctic Borough Home Rule Borough P.O. Box 1110 Kotzebue 99752 442-2500/ fax: 442-293 Incorporated: 6/02/86 Population: 6,303</p> <p>City and Borough of Sitka Unified Home Rule Municipality 304 Lake St. Sitka 99835 747-3294/ fax: 747-740. Incorporated: 12/02/71 Population: 8,815</p> <p>City and Borough of Yakutat Home Rule P.O. Box 160 Yakutat 99689 784-3323/ fax: 784-328 Incorporated: 9/22/92 Population: 729</p>
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Cities

Akhiok

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

Akiak

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

Akutan

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

Alakanuk

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

Aleknagik

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

Allakaket

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

Ambler

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

Anaktuvuk Pass

Second Class City
P.O. Box 21030
Anaktuvuk 99721
Phone: 661-3671
Fax: 661-3613
Incorporated: 1957
Population: 246

Anchorage

(See Municipalities and
Boroughs)

Anderson

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

Angoon

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

Aniak

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

Anvik

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

Atka

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

Atnautluak

Second Class City
General Delivery
Atnautluak 99559
Phone: 553-5610
Incorporated: 1976
Population: 267

Atkasuk

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

Barrow

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

Bethel

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

Bettles

Second Class City
P.O. Box 26023
Bettles 99726
Phone: 692-5131
Incorporated: 1985
Population: 33

Brevig Mission

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

Buckland

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

Chetornak

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

Chevak

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

Chignik

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

Chuathbaluk

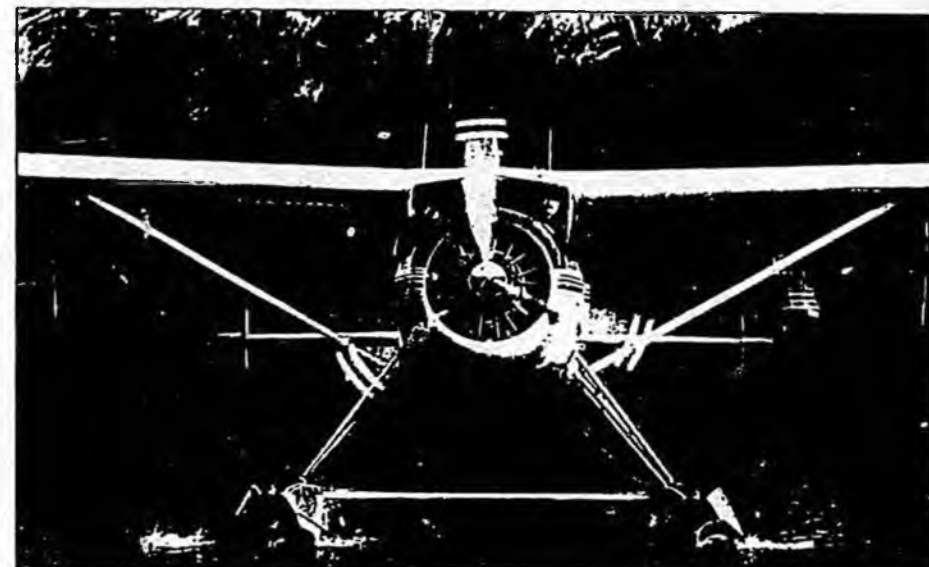
Second Class City
P.O. Box CHV
Chuathbaluk 99557
Phone: 467-4115
Fax: 467-4313
Incorporated: 1975
Population: 129

Clarks Point

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

Coffman Cove

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



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

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

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

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

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

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

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

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

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

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

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

Elim
Second Class City
P.O. Box 39009
Elim 99739
Phone: 890-3441
Fax: 890-3311
Incorporated: 1970
Population: 267

Emmonak
Second Class City
P.O. Box 9
Emmonak 99581
Phone: 949-1227
Fax: 949-1926
Incorporated: 1964
Population: 692

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

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

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

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

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

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

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

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

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

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

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

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

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

Houston
Second Class City
P.O. Box 27
Houston 99654
Phone: 892-6869
Fax: 892-6180
Incorporated: 1966
Population: 815

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

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

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

Juneau
(See Municipalities and
Boroughs)
Kachemak
Second Class City
P.O. Box 958
Homer 99603
Phone: 235-8897
Fax: 235-8854
Incorporated: 1961
Population: 372

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Port Heiden
Second Class City
P.O. Box 490
Port Heiden 99549
Phone: 837-2209
Fax: 837-2248
Incorporated: 1972
Population: 126

Port Lions
Second Class City
P.O. Box 110
Port Lions 99650
Phone: 454-2332
Fax: 454-2420
Incorporated: 1966
Population: 238

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Yakutat
(See Municipalities and
Boroughs)

Federal Government and International

CHAPT

6

FEDERAL GOVERNMENT and INTERNATIONAL

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

Source: *Municipal Officials Directory 1993*, Department of Community and Regional Affairs and the Alaska Municipal League. The population of some towns may differ from federal census figures.

- | | |
|---------------------------------------------------------|-----------------------------------------------------------------|
| 80. Tax on oil and gas production and pipeline property | 200. Board of equalization |
| 90. Tax limitation | 210. Hearing |
| 100. No limitations on taxes to pay bonds | 220. Supplementary assessment rolls |
| 103. Taxation records | 230. Tax adjustments on property affected by a natural disaster |
| 105. Errors in taxation procedures | 240. Tax levy and rate |
| 110. Full and true value | 250. Rates of penalty and interest |

Sec. 29.45.010. Property tax. (a) A unified municipality may levy a property tax. A borough may levy

- (1) an areawide property tax for areawide functions;
- (2) a nonareawide property tax for functions limited to the area outside cities;
- (3) a property tax in a service area for functions limited to the service area.

(b) A home rule or first class city may levy a property tax subject to AS 29.45.550 - 29.45.560. A second class city may levy a property tax subject to AS 29.45.590.

(c) If a tax is levied on real property or on personal property, the tax must be assessed, levied, and collected as provided in this chapter. (§ 12 ch 74 SLA 1985)

Notes to Decisions - Imposition of higher property tax mill rate on oil and gas invalid. - City's imposition of a higher property tax mill rate on oil and gas property than on other property in the city, for the purpose of paying the cost of providing oil spill prevention and response services, was invalid, because the tax violated AS 43.56.010(b), which specifically prohibits a municipal tax rate higher than that which applies to "other property taxable by the municipality." *City of Valdez v. State, Dep't of Community and Regional Affairs*, 793 P.2d 532 (Alaska 1990).

Collateral references. - 71 Am. Jur. 2d, State and Local Taxation, sec. 201 et seq.; 72 Am. Jur. 2d, State and Local Taxation, secs. 759-772.

64 C. J. S., Municipal Corporations, sec. 1978 et seq.; Taxation, secs. 57 et seq.

Sec. 29.45.020. Taxpayer notice. (a) If a municipality levies and collects property taxes, the governing body shall provide the following notice:

than that which applies to "other property taxable by the municipality." *City of Valdez v. State, Dep't of Community & Regional Affairs, 793 P.2d 532 (Alaska 1990).*

Sec. 29.45.590. Limited property taxing power for second class cities. A second class city may by referendum levy property taxes as provided for first class cities. However, levy by a second class city may not exceed one-half of one percent of the assessed value of the property taxed, except that the limit does not apply to a levy necessary to avoid a default upon payment of principal and interest of bonded or other indebtedness that is secured by a pledge to levy ad valorem or other taxes without limit to meet debt payments. (§ 12 ch 74 SLA 1985)

Sec. 29.45.600. Combining property tax with incorporation of a second class city. A petition for second class city incorporation may request that a property tax proposal be placed on the same ballot. The petition must state the proposed tax rate. The petition may request that incorporation be dependent on the passage of the property tax proposition. If so, the incorporation proposition fails if the property tax fails. (§ 12 ch 74 SLA 1985)

ARTICLE 4. Borough Sales and Use Tax.

Section

- | | |
|---------------------------------------------|------------------------------------------------------------------|
| 650. Sales and use tax | 680. Combining sales and use tax with incorporation of a borough |
| 660. Notice of sales and use tax | |
| 670. Referendum, adoption, and modification | |

Sec. 29.45.650. Sales and use tax. (a) Except as provided in AS 04.21.010(c) and in (f) and (h) of this section, a borough may levy and collect a sales tax on sales, rents, and on services provided in the borough. The sales tax may apply to any or all of these sources. Exemptions may be granted by ordinance.

(b) A borough levying a sales tax may also by ordinance levy a use tax on the storage, use, or consumption of tangible personal property in the borough. The use tax rate must equal the sales tax rate and the use tax shall be levied only on buyers.

(c) A person who furnishes proof, in the form required by the borough tax collector, that the person has paid a sales tax on the source on which a use tax is levied by the borough is required to

cial feasibility with respect to a public project, purpose, or improvement, or the financial or fiscal responsibility or ability of a political subdivision making application for loan to the bond bank authority and for the purchase by the bond bank authority of municipal bonds to be issued by that municipality. The cost and expense of a service requested by the bond bank authority, at the request of the officer, department, board, agency, division, or commission rendering the service, shall be paid by the bond bank authority. (§ 1 ch 79 SLA 1975)

Revisor's notes. — Formerly AS 44.58.390. Renumbered in 1980.

Sec. 44.85.400. Public records; open meetings. The provisions of AS 09.25.110 — 09.25.120 (public records) and AS 44.62.310 — 44.62.312 (agency public meetings) apply to the bond bank authority. (§ 1 ch 79 SLA 1975)

Revisor's notes. — Formerly AS 44.58.400. Renumbered in 1980.

Sec. 44.85.410. Definitions. In this chapter, unless the context requires otherwise,

(1) "bond bank authority" means the Alaska Municipal Bond Bank Authority established by AS 44.85.020;

(2) "bonds" means bonds of the bond bank authority issued under this chapter;

(3) "municipal bond" means a bond or note or evidence of debt that constitutes

(A) a general obligation bond that is a direct and general obligation of a political subdivision of the state, all the taxable property within which is subject to taxation to pay the bond, note, or evidence of debt, and the interest without limitation, as to rate or amount generally to the extent permitted by law or to avoid a default as provided for second class cities under AS 29.45.590;

(B) a revenue bond, except a revenue bond for electrical generation purposes other than diesel-powered generation, issued by a municipality or a port authority that pledges the revenue of a revenue-producing capital improvement and that is payable solely from the revenue of the revenue-producing capital improvement;

(C) a general obligation bond or revenue bond combined or additionally secured;

(D) a bond of a borough issued as a general obligation of a service area under AS 29.47.440 or former AS 29.58.340; or

(E) an obligation of a municipality secured only by

(i) special assessments on benefited property;

(ii) tax increments and a letter of credit or equal security; or

cial feasibility with respect to a public project, purpose, or improvement, or the financial or fiscal responsibility or ability of a political subdivision making application for loan to the bond bank authority and for the purchase by the bond bank authority of municipal bonds to be issued by that municipality. The cost and expense of a service requested by the bond bank authority, at the request of the officer, department, board, agency, division, or commission rendering the service, shall be paid by the bond bank authority. (§ 1 ch 79 SLA 1975)

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(A) a general obligation bond that is a direct and general obligation of a political subdivision of the state, all the taxable property within which is subject to taxation to pay the bond, note, or evidence of debt, and the interest without limitation, as to rate or amount generally to the extent permitted by law or to avoid a default as provided for second class cities under AS 29.45.590;

(B) a revenue bond, except a revenue bond for electrical generation purposes other than diesel-powered generation, issued by a municipality or a port authority that pledges the revenue of a revenue-producing capital improvement and that is payable solely from the revenue of the revenue-producing capital improvement;

(C) a general obligation bond or revenue bond combined or additionally secured;

(D) a bond of a borough issued as a general obligation of a service area under AS 29.47.440 or former AS 29.58.340; or

(E) an obligation of a municipality secured only by

(i) special assessments on benefited property;

(ii) tax increments and a letter of credit or equal security; or



217 Second Street, Suite 200 ■ Juneau, Alaska 99801 ■ Tel (907) 586-1325, Fax (907) 463-5480

February 15, 1994

TO: Representative Ron Larson and Eileen MacLean, Co-Chairs
and Members
House Finance Committee

FROM: Kent E. Swisher, Executive Director

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

The Alaska Municipal League supports the intent of SS HB 397, which would remove the limitation on the power of second class cities to levy property taxes. This issue was addressed by the League's members at the 1993 Local Government Conference, and at that time AML members passed Resolution 94-11 (copy attached), which outlines our position.

As noted in the resolution, locally generated revenue is one of the main sources of funding for second class cities. In 1990, for example, according to the Department of Community and Regional Affairs, nearly 70 percent of the operating budgets of the state's second class cities came from local taxes and user fees, an average of \$860 per capita. State aid in the form of State Revenue Sharing and Municipal Assistance accounted for another \$191/capita, on average, and other outside assistance (state and federal grants), averaged \$179 per capita.

As the legislature has cut back drastically on funding for State Revenue Sharing and Municipal Assistance (cuts have been over 50 percent during the last nine years), second class cities have faced increasingly difficult financial situations. Property taxation is a key funding mechanism for Alaskan municipalities, but the ability of second class cities to use it has been severely curtailed by the current statutes, which limit property taxes in second class cities to one half of one percent of the assessed value. Although at the current time only a few second class cities impose a property tax (the majority prefer to raise revenues by means of sales taxes and user fees), the League and its members see any limitation on the power of second class cities to tax themselves that differs from the limitations on other municipalities as unnecessary and arbitrary.

The League supports SS HB 397, which would allow second class cities to determine the appropriate property tax rate for their situations and remove an arbitrary limit on their ability to generate revenue locally.

Enclosure

LEG94.hb397.215

Member of the National League of Cities and the National Association of Counties

Resolution of the Alaska Municipal League

Resolution No. 94-11

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

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

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

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

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

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

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


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

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



Rosalee T. Walker, President

ATTEST:



Kent E. Swisher, Executive Director

2/4/94

(7)

Date Referred: February 2, 1994

FURTHER REFERRALS:

Finance

Date of Committee Action: 2-3-94

The COMMUNITY AND REGIONAL AFFAIRS Committee considered:

SSHB 397

SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 397 TAXING POWER OF SECOND CLASS CITIES

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

RECOMMENDATIONS: the same title
 be replaced with _____ a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) _____

APPROVES PREVIOUS: (Dept/Date) _____

fiscal impact _____

fiscal note(s) _____

zero fiscal note C + R A

zero fiscal note(s) _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Don Bunde</i> Bunde	✓	<i>John Davies</i> DAVIES			✓
<i>John Sanders</i> Sanders	✓	<i>Ed Willis</i> WILLIS			✓
<i>Tom Tooley</i> TOOLEY	✓	<i>Harley Olberg</i>			✓
<i>Harley Olberg</i> olberg	✓	<i>W.F. Williams</i> williams			✓

Harley Olberg olberg
 CHAIRMAN'S SIGNATURE

ALASKA STATE LEGISLATURE



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

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

Representative Harley Olberg

MEMORANDUM

TO: Representative Ron Larson, Co-Chair
House Finance Committee

FROM: Representative Harley Olberg, Chair
House Community & Regional Affairs Cmte.

DATE: February 4, 1994

RE: HB 397 scheduling

A handwritten signature in cursive script that reads "Olberg".

I would appreciate it if you would schedule Sponsor Substitute for House Bill 397 "An Act relating to the power to levy property taxes in second class cities and to combining property tax and incorporation question" at your earliest possible convenience.

If you have any questions concerning this request please do not hesitate to call me or Dave at #4859

Thanking you in advance for your attention to this request.

Ho/dk

HEB

400

HFIN

FILE

HOUSE COMMITTEE REPORT

(11)

Date Referred: March 7, 1994

FURTHER REFERRALS:

Date of Committee Action: 4/11/94

The FINANCE Committee considered:

HB 400

HOUSE BILL NO. 400

PFD ADMINISTRATIVE PROCEEDINGS

"An Act relating to administrative proceedings involving a determination of eligibility for a permanent fund dividend or authority to claim a dividend on behalf of another."

- RECOMMENDATIONS: the same title
 be replaced with _____ a new title
- have attached amendments(s)
 do pass
 do not pass
 no recommendations
 individual recommendations
 additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept)

APPROVES PREVIOUS: (Dept/Date)

fiscal impact Revenue

fiscal note(s) _____

zero fiscal note _____

zero fiscal note(s) _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Ronald J. Larson</i>	<input checked="" type="checkbox"/>	<i>E.P. Maclean</i> Maclean		<input checked="" type="checkbox"/>	
		<i>Mark Hanky</i> Hanky		<input checked="" type="checkbox"/>	
		<i>Terry Martin</i> Martin		<input checked="" type="checkbox"/>	
		<i>John P. ...</i>			<input checked="" type="checkbox"/>
		<i>Ben ...</i> Grussendorf		<input checked="" type="checkbox"/>	
		<i>Mike ...</i> Navarre		<input checked="" type="checkbox"/>	
		<i>Jan Brown</i> Brown		<input checked="" type="checkbox"/>	
		<i>Richard ...</i> Foster		<input checked="" type="checkbox"/>	

Ronald J. Larson *E.P. Maclean*
 (C) CHAIRMAN'S SIGNATURE Maclean

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. HB 400

Revision Date: 03-10-94	Dept. Affected: Revenue
Title: PFD Administrative Proceedings	BRU: Permanent Fund Dividend
	Component: Permanent Fund Dividend
Sponsor: Rep. GREEN	
Requestor: House Finance Committee	COMPONENT SERIAL NO. 081

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES	-0-	(7.9)	(52.7)	(187.1)	(187.1)	(187.1)
TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
CONTRACTUAL	7.5	(86.6)	(86.6)	(86.6)	(86.6)	(86.6)
SUPPLIES	-0-	-0-	-0-	-0-	-0-	-0-
EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	7.5	(94.5)	(139.3)	(273.7)	(273.7)	(273.7)
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE FUND SOURCE: 1050	121.8	121.8	129.0	129.0	129.0	129.0

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other (Dividend Fund 1050)	7.5	(94.5)	(139.3)	(273.7)	(273.7)	(273.7)
TOTAL	7.5	(94.5)	(139.3)	(273.7)	(273.7)	(273.7)

POSITIONS:

FULL-TIME			(1)	(4)	(4)	(4)
PART-TIME						
TEMPORARY						

Estimate of current year (FY94) impact: \$ -0-

ANALYSIS:

See Pages 2 through 4, as well as the attachments.

Prepared by:	Thomas C. Williams	Phone: 465-2323
Division:	Permanent Fund Dividend	Date: 03-10-94
Approved by Commissioner:		Date: 3/10/94
Agency:	Department of Revenue	

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ALASKA DEPARTMENT OF REVENUE
PERMANENT FUND DIVIDEND DIVISION

ANALYSIS OF HB 400

As of March 10, 1994

Assumptions

- A. This Legislation would be effective in FY95.
- B. 55% of all appeals received involve bright line issues and 45% of all appeals received involve non-bright line issues. Bright line issues are those that are clearly definable by objective criteria, such as whether an individual was physically present in state during the two previous calendar years or met an application deadline. Non-bright line issues are those that involve issues that are more subjective, such as whether an individual demonstrated an intent to return to Alaska.
- C. The addition of a fee will mean some of those individuals whose denial involved a bright line issue as well as some of those individuals whose denial involved a non-bright line issue will not appeal.
- D. The Department would adopt regulations to:
 - 1. allow an indigent individual to be exempt from the fee and outline the specific requirements for qualifying for such an exemption;
 - 2. require payment of the fee by checks or money orders only (no cash payments);
 - 3. consider any appeal to be invalid if
 - a. the appeal was not accompanied by the fee;
 - b. an insufficient amount was submitted;
 - c. accompanied by a cash payment; or
 - d. which the check was returned for non-sufficient funds; and
 - 4. make it clear that the Department would not issue receipts over the counter;
- E. The PFD Division would continue to receive the vast majority of appeals and the associated fees in the mail. The Anchorage and Juneau Dividend Information Offices would receive and accept a relatively small number of appeals and the associated fees across the counter. The Information Offices would forward all appeals and fees to the Dividend Appeals unit for processing;
- F. The PFD Masterfile Computer System would be modified:
 - 1. adding a field to indicate whether the applicant was exempt from the fee as the result of indigence or if not exempt whether the fee actually accompanied the appeal;

ALASKA DEPARTMENT OF REVENUE
PERMANENT FUND DIVIDEND DIVISION

ANALYSIS OF HB 400

As of March 10, 1994

2. to send a redesigned computer generated appeal receipt letter not only advising the applicant that their appeal has been received, but whether a required fee in the appropriate amount was included. If the fee was not included or the amount was less than the required fee, the receipt letter would advise an applicant that the appeal would not be valid unless the Department received the additional amount within 30 days of the date of the notice. It would also advise the applicant that if they did not send in the additional amount or request in writing a return of the insufficient amount within 30 days of the date of the notice that the fee would be forfeited. If an appellant's check was returned for non-sufficient funds, the Department would send the appellant a notice advising an applicant that the appeal would be invalidated unless the Department received the additional amount within 30 days of the date of the notice.
 3. automatically refund fees when an appeal decision overturned the original denial; and
 4. produce a daily reconciliation report for fee receipts.
- G. Necessary data processing programming updates to the PFD System Masterfile would require approximately 3 weeks work at a contractual services cost estimated to not exceed \$7,500 in FY95.
- H. Additional data entry and fee processing could be accomplished by current staff, since with the adoption of the appeal fee requirement the total number of appeals received is expected to decline.
- I. See the attachments for the assumptions regarding the number of appeals to be received and the required staffing levels. If these assumptions are correct then:
1. In FY96 one PFDS II could be reallocated to a PFDS I resulting in a savings of \$7.9. In FY97 a PFDS I position could be eliminated for an additional savings of \$44.8. Starting in FY98 three more PFDS I positions could be eliminated for an additional savings of \$134.4.
 2. Starting in FY96 funding for one Formal Hearing Officer in the Commissioner's Office could be eliminated.
- J. To the extent that the number of appeals does not decline as projected, staffing levels could not be reduced as reflected. Similarly, to the extent that the number of appeals declines more than projected, staffing levels might be able to be reduced more than the amount reflected.