

ALASKA LEGISLATURE

2108

HOUSE and SENATE FINANCE COMMITTEE FILES, 1999 - 2000

259

SB

149

SFIN

FILE

SB 149

was referred to the
Senate Finance
Committee

Hearing(s) were held

The bill did not move
from Committee



Official Business

Alaska State Senate

Senate Finance Committee

Mail Stop 3100
State Capitol
Juneau, Alaska 99801-1182

Sponsor Statement – SB 149

This bill provides the statutory authority for a Statewide Transportation Improvement Program and establishes a new Municipal Road Projects Program.

The new Municipal Road Projects Program (MRP) directly awards federal funds to municipalities for re-construction or construction projects that are eligible for federal funding. Priority is given to reconstruction of current state maintained roads when the municipality agrees to accept maintenance responsibility at the completion of the project. This will eliminate some of the project coordination effort currently required by the Department of Transportation. The municipality becomes responsible for all aspects of the project, including the match requirements for the federal funding. This will also reduce road maintenance costs when roads are transferred to a municipality.

This bill sets forth in statute the specific categories and expenditure percentages for each category that will be reported in the Statewide Transportation Improvement Program (STIP). The categories are:

- National Highway System (NHS) = 55%
- Community Transportation (CT) = 36%
- Trails & Recreational Access for Alaska (TRAAK) = 9%

The Community Transportation Program has further subcategories:

- Anchorage Metropolitan Area Transportation Study (AMATS) = 30%
- Remote Roads = 10%
- State Highway System = 15%
- Gravel to Pavement Upgrade* = 15%
- Reconstruction and Transfer = 10%
- Statewide Competitive = 20%

Senate Finance/Sen. Torgerson

4/15/99

* The gravel to pavement program is a four year program and the bill provides for the repeal of that subcategory - the 15% would then be allocated to the Statewide Competitive subcategory, bringing its total from 20% to 35%.



U.S. Department
of Transportation
**Federal Highway
Administration**

Alaska Division

P.O. Box 21648
Juneau, Alaska 99802

April 22, 1999

HADA-AK

Senate Finance Committee
Juneau, Alaska

Re: Federal Highway Administration testimony on SB No. 149

FHWA has reviewed Senate Bill No. 149 dealing with an act relating to awards of federal funds to municipalities for road projects and to the statewide transportation improvement program. We offer comments as follows:

Section 1. 19.05.043: "Program Revisions necessary to comply with project funding in an appropriation bill shall be completed by the commissioner and submitted for federal review within 30 days after the effective date of the appropriation."

Depending upon interpretation, the legislative intent of the above referenced language may not be possible within the metropolitan area of Anchorage and for certain projects in rural non-attainment areas such as Fairbanks and the Mendenhall Valley. Specifically, in the instance of Anchorage, 23 CFR 450 requires that metropolitan TIP priorities dictate the STIP priorities. This is assured by requiring that TIPs be included without modification in the STIP, directly or by reference, once approved by the MPO and the Governor and only after needed conformity determinations are made. Similar provisions apply for regionally significant projects in rural non-attainment areas such as Fairbanks or the Mendenhall Valley. In these areas, projects which add capacity, or significantly change traffic patterns are subject to conformity analysis under the Clean Air Act prior to inclusion in the STIP. Given these constraints, it is unlikely a 30 timeframe can be met for inclusion of "new" projects in these areas, and their inclusion may be impossible if an MPO is unwilling to adopt the project, or the project does not meet conformity tests.

The STIP is also required to be "fiscally constrained" by year and include sufficient financial information to demonstrate which projects are to be implemented using current revenues and which projects are to be implemented using proposed revenue sources while the system as a whole is being adequately operated and maintained. Thus, the addition of projects to a fiscally constrained STIP will require reprioritization which may result in delays to other improvements.

Section 1 General: Suballocations

As written, SB 149 suballocates among a number of transportation project categories. This practice has been found to be acceptable to Federal Highway Administration, however, we discourage the use of suballocations as it can restrict the State's ability to program funds to needed improvements. Under the current Federal program, funds are allocated to the State in a number categories including the National Highway System, the Surface Transportation System, Bridge and others. Federal law, however, provides significant flexibility to transfer between categories. This transferability feature assures that State's can tailor their programs to meet State needs as identified through the Statewide and Metropolitan planning processes.

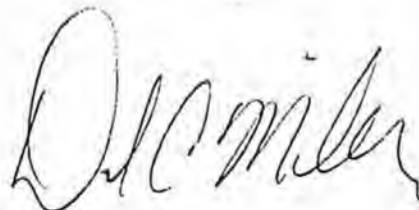
Article 4. Awards of Federal Funds to Municipalities for Road Projects.

Article 4 creates a mechanism under which municipalities may apply for and administer Federal funds for the purpose of road construction. This is acceptable and is specifically allowed under 23 CFR 1.11 (B) which states in part that "The State highway agency may utilize, under its supervision, the services of well-qualified and suitably equipped engineering organizations of other governmental instrumentalities for making surveys, preparing plans, specifications and estimates, and for supervising the construction of any project." Section 1.11 further continues that "The State highway department is not relieved of its responsibilities under Federal law and the regulations in this part in the event it utilizes the services of any engineering organization."

Currently, only Anchorage has been determined to be well qualified and adequately staffed and equipped to conduct Title 23 projects. This is because of a number of factors.

To assure Federal reimbursement, municipalities must be familiar with and comply with all Federal regulations which include Title 23 procurement, the Brooks Act, NEPA, the Disadvantaged Business Enterprise Program, the Uniform Relocation Assistance Act and others. They must further be cognizant of State procedures and agreements which may or may not be codified but include the State's 404/NEPA merger agreement, programming procedures and others. In general, we have found that municipalities lack this specialized expertise and can inadvertently jeopardize participation. In State's which have such programs, FHWA typically finds that SHAs have had to commit significant resources to work with the municipalities to get through what can be a frustrating experience for local governments.

Sincerely yours,



David C. Miller
Asst. Division Administrator

SENATE FINANCE COMMITTEE

SIGN-IN

SB 149-TRANSPORT.PLAN/ROAD MONEY

NAME: David C. Miller, Ast. Division Admin. Subject/Bill No: 149
Co./Dept./Title: Federal Highway Administration Phone: 586 7659
Address: PO 21648 Juneau Ak. Zip: 99802

Do you wish to testify? Yes No Respond To Questions
if requested.

NAME: TOM BRIGAM Subject/Bill No: 149
Co./Dept./Title: DOT - PF - STATEWIDE PLANNING Phone: 4070
Address: 3132 CHANNEL DR. Zip: _____

Do you wish to testify? Yes No Respond To Questions
IF REQUESTED

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions

SB

150

SFIN

FILE

SB 150

was referred to the
Senate Finance
Committee

Hearing(s) were held

The bill did not move
from Committee

FISCAL NOTE

**STATE OF ALASKA
1999 LEGISLATIVE SESSION**

BILL NO. SB150

Revision Date/Time (Note if correction) _____ Dept. Affected Revenue
 Title Small Community Housing Loans BRU Revenue Operations
 Component AHFC
 Sponsor Senate Finance Committee
 Requester Senate Finance Committee Component Serial No. 110

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of current year (FY99) cost: _____

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The interest rate change proposed in this legislation will not result in any change to the administrative and operating costs within the corporation. Increasing the interest rate on this program by 1% to the taxable rate would increase returns from loans within the program.

However, borrowers would be required to either pay 10% more in monthly payments or would qualify for 10% less in borrowing capacity. The affect this fact will have on the number of loans made or the amount of loans is unknown at this time.

AHFC's mission is to provide safe and affordable housing for Alaskans. It is AHFC's preference to maintain the current 1% rate reduction this program offers.

Prepared by John Bitney, Legislative Liaison Phone 586-3587
 Division Alaska Housing Finance Corporation Date/Time _____
 Approved by Wilson L. Condon Date 4/21/99
 Commissioner _____
 Agency Department of Revenue

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE

For further distribution information, call the Governor's Legislative Office

BROKER

Michael V. Morris

ASSOCIATE BROKERS

*Dick Synhorst
Debra Leisek*

OFFICE MANAGER

Julie Neff

BAY REALTY, INC.

**331 E. PIONEER AVENUE
Suite A**

Homer, Alaska 99603

Phone: 907-235-6183

Fax: 907-235-4031

Email: bayrealt@xyz.net

WWW: <http://www.xyz.net/~bayrealt>

ASSOCIATES

*Terry Yager
John D. Kosch
Mark Edwards
Scott Connelly
Cheri Edwards*

PROPERTY MANAGER

*Teri Stephens
Angela John*

April 20, 1999

Senator John Torgerson
Room 514
State Capitol
Juneau, Alaska 99801-1182

APR 23 1999

Dear Senator Torgerson:

I am writing to express to you my opposition to SB-150, reference to Small Communities (Rural) Loan Program Bill. My reasons are as follows:

- * The Rural Mortgage Program is a successful program and should not be changed like this.
- * Urban borrowers have access to plenty of opportunity for interest rate reductions. This does not need to be a "fairness" issue for Anchorage or Fairbanks.
- * This program pays for itself.

Sincerely,



Michael V. Morris
Broker
Bay Realty, Inc.

MVM/pme

Bristol Bay Housing Authority**P.O. Box 50 Dillingham, Alaska 99578 FAX (907) 842-2784 Phone (907) 842-5956**

TO: Senate Finance Committee
FROM: Dave McClure, Executive Director *DM*
SUB: Full text of HUD Urban Policy Brief
REF: SB 150
DATE: April 22, 1999

Attached please find the full text of an Urban Policy Brief from August 1995 issued by the Department of Housing and Urban Development.

This is for the committee's review and record as additional testimony in opposition to SB 150.

Thank you for the opportunity to comment.

Urban Policy Brief, Number 2
August 1995

HOMEOWNERSHIP AND ITS BENEFITS

At the request of President Clinton, the U.S. Department of Housing and Urban Development (HUD) is working with dozens of national leaders in government and the housing industry to implement the National Homeownership Strategy, an unprecedented public-private partnership to increase homeownership to a record-high level over the next 6 years. The ideal of homeownership is so integral a part of the American Dream that its value for individuals, for families, for communities, and for society is scarcely questioned. This paper provides a brief survey of research into the nature and significance of homeownership's presumed benefits, particularly for lower income households and other underserved populations.

Introduction

The desire for homeownership is deeply rooted in the American psyche. Owning a home embodies the promise of individual autonomy and of material and spiritual well-being that many people sought in coming to this country. In addition to its functional importance and economic value, homeownership has traditionally conveyed social status and political standing. It is even thought to pro-mote thrift, stability, neighborliness, and other individual and civic virtues.

Throughout this century, there has been bipartisan support for Federal policies designed to encourage home-ownership. Herbert Hoover called the owner-occupied home "a more wholesome, healthful, and happy atmosphere in which to raise children." Lyndon Johnson promoted homeownership as part of a strategy for addressing the urban ills of the 1960s, declaring that "owning a home can increase responsibility and stake out a man's place in his community....The man who owns a home has something to be proud of and reason to protect and preserve it." Ronald Reagan said that homeownership "supplies stability and rootedness."

President Bill Clinton has linked increasing homeowner-ship to the challenge of expanding opportunity for work-ing families. Speaking to the National Association of Realtors in November 1994, he expressed a national consensus that "more Americans should own their own homes, for reasons that are economic and tangible, and reasons that are emotional and intangible, but go to the heart of what it means to harbor, to nourish, to expand the American Dream."

However, the American Dream became more distant for many during the 1980s, as the national homeownership rate fell from its historic high of 65.6 percent in 1980 to only 64.1 percent in 1991. The decline has been sharp-est among segments of the population for whom access to the homebuying market has traditionally been most difficult. The homeownership rate for very low-income families with children fell by almost one-third, from 39 percent to 27 percent, between 1980 and 1991. Even among moderate-income households, homeowner-ship dropped by 10 percent. Homeownership rates stagnated at

approximately 43 percent for blacks, while homeownership among Hispanics fell from 43 percent in 1980 to 39 percent in 1991.

Perhaps most alarming has been the decline in home-ownership among families under age 35, when most first-time homebuying occurs and the preference for ownership is strongest. In 1980 almost 45 percent of families in this age cohort owned a home; by 1991, the percentage stood at less than 38 percent.

To reverse this trend, President Clinton directed HUD Secretary Henry G. Cisneros to work with leaders in the housing industry, representatives of nonprofit groups, and officials at all levels of government to develop a National Homeownership Strategy that would increase ownership opportunities among populations and communities with lower than average homeownership rates.

This unprecedented public-private partnership is founded on a deeply rooted and almost universally held belief that homeownership provides important advantages that merit continued public support. The National Homeownership Strategy cites four fundamental benefits:

"Through homeownership, a family...invests in an asset that can grow in value and...generate financial security."

"Homeownership enables people to have greater control and exercise more responsibility over their living environment."

"Homeownership helps stabilize neighborhoods and strengthen communities."

"Homeownership helps generate jobs and stimulate economic growth."

The validity of some of these assertions is so widely accepted that economists and social scientists have seldom tested them. However, the nature and significance of homeownership's actual benefits particularly for lower income, minority, and younger families has profound implications for national housing policies and programs. The following pages will briefly review evidence on the four premises that undergird the National Homeownership Strategy.

Homeownership and Wealth Accumulation

Purchasing a home is the largest investment that most families will ever make. Homeownership has been called a "forced savings plan" in that an owner-occupant's payments on mortgage principal are retained as equity in a comparatively illiquid asset. Wealth is accumulated to the extent that the constant-dollar value of the owner's equity exceeds any decline in the home's value.

But accrued equity is only one potential financial benefit of homeownership. Buying a home with a mortgage is a leveraged investment; even though only a small part of the purchase price is paid as a downpayment, the buyer controls all appreciation in the value of the property and absorbs any loss in value as well. General trend data on housing prices confirm that owner-occupied homes have performed well as long-term investments. Real prices for the median-priced home increased by a total of 41 percent between 1960

and 1989. Even the lowest-priced houses increased in value by almost 30 percent.

However, many external factors can affect whether and at what rate a home's value increases or decreases. Changes in interest rates influence demand for housing and its attractiveness relative to other investments. Regional economic downturns, such as the oil "bust" in the Southwest during the mid-1980s, can severely de-press housing prices. The dynamics of a particular housing market or the fortunes of a particular neighborhood can also be a strong determinant of local home values.

Nonetheless, homeownership has become a critical factor in moving up the economic ladder. Home equity is the largest single source of household wealth for most Americans. Median net wealth for homeowners exceeds \$78,400, while renters accumulate less than \$2,300, or 3 percent of this amount. For homeowners, almost 60 percent of their wealth is in the form of home equity. For minority homeowners, home equity is an even more important component of wealth, representing more than three-fourths of their median net wealth of approximately \$48,300, almost 100 times the median wealth of the average black renter (barely \$500). For owners in the lowest income brackets as well, equity in single-family homes constitutes more than half their wealth.

Homeowners also enjoy important tax advantages. The value and distribution of Federal tax preferences for homeownership, such as the deductibility of property taxes and mortgage interest and the one-time exclusion of capital gains, are currently a matter of contentious debate. It is estimated that three-fourths of the \$100 billion foregone in Federal tax revenues in 1994 due to these preferences will benefit the wealthiest 20 percent of all households. However, some economists reply that the comparative benefit would show a tilt toward less affluent owners if these calculations included the advantage that owner-occupants enjoy over landlords by not being taxed on the return on investment they receive by essentially renting to themselves.

Thus the economic evidence is clear in affirming that homeownership is a good investment that increases wealth for families of all races and incomes. However, critics of homeownership point out that the economic benefits of homeownership for lower income and minority families should also be balanced against its financial risks. The lower average incomes and educational attainment of these groups make them particularly vulnerable to economic downturns that can result in job loss and, eventually, foreclosure. Indeed, newly published research on FHA-insured mortgages indicate that default risk is higher among black and lower income borrowers, although the explanation for this finding is far from clear.

Additional Readings:

Gyourko, Joseph, and Peter Linneman. "Affordability of the American Dream" in *Journal of Housing Research* 4 (1993): 39-72.

Hughes, James W. "Clashing Demographics: Homeownership and Affordability Dilemmas" in *Housing Policy Debate* 2 (1991): 1217-50.

Joint Center for Housing Studies. *State of the Nation's Housing 1992-94*. Cambridge: Harvard University, 1992-94.

Ling, David C., and Gary A. McGill. "Measuring the Size and Distributional Effects of Homeownership Tax Preferences" in *Journal of Housing Research* 3 (1992): 273-303.

Stegman, Michael A. *More Housing, More Fairly: Report of the Twentieth Century Fund Task Force on Affordable Housing*. New York: Twentieth Century Fund Press, 1991.

Homeownership and Personal Well-being

Homeownership is thought to be an important element in achieving personal fulfillment. When asked to define the good life, polls have shown that many Americans value owning a home over such factors as an automobile, a happy marriage, an interesting or high-paying job, and good health. Homeownership is credited with increasing:

SELF-ESTEEM. Homeownership, as a commonly recognized symbol of social status in the United States and other countries, could influence one or more aspects of self-esteem reflected appraisal (the impact of homeowning on the esteem in which one is held by others), social comparison (homeownership as a measure of one's status and success relative to others), and self-attribution (ownership as an indicator of personal success). But because homeowners are more likely to possess other attributes positively correlated with high self-esteem such as higher incomes, occupational status, and education isolating the importance of homeownership can be difficult. Research on the determinants of self-esteem has not been designed to make this distinction.

CONTROL. It is often argued that homeownership enhances the homeowner's sense of control over her life and environment by offering greater privacy and protection against involuntary displacement. However, critics such as Achtenberg and Marcuse counter that low-income homeowners are less likely to benefit in these ways because lack of wealth makes them more vulnerable to displacement and less able to escape deteriorating neighborhoods.

LIFE SATISFACTION. Because owning a home is a widely shared and cherished goal indeed, an expectation of most Americans, many scholars have reasoned that its attainment would tend to increase the homeowner's overall contentment with life. Although a number of researchers have investigated the effects of housing on life satisfaction, their work has focused on housing quality rather than tenure.

Despite the rhetorical attention given to these issues, there is very little empirical evidence regarding the pre-sumed psychological benefits of homeownership, particularly for lower income families. However, one small survey of low-income renters and first-time homebuyers in Baltimore does attempt to measure these benefits directly. Rohe and Stegman discovered that the low-income homeowners in their survey showed significantly higher levels of life satisfaction than similarly situated renters. While their survey uncovered little evidence that homeownership measurably influenced self-esteem or perceived control, large majorities of the respondents agreed, when asked directly, that owning a home had made them feel better about themselves and heightened their feeling of control.

Another topic that researchers are only beginning to explore is whether children benefit as well from living in an owner-occupied home. Various reasons for a correlation have been asserted, from environmental differences to the more developed life skills of homeowners. Others have speculated that unmeasured personality attributes that make some adults more likely to become homeowners also enable them to raise children more successfully. Recently published research by Green and White finds that children of homeowners are significantly less likely than children of renters to drop out of school, to have children while a teenager, or to be arrested before age 18. The differences were largest among low-income households. However, as with the other research discussed in this section, it is difficult to show a direct causal relationship between homeownership and behavioral patterns.

Additional Readings:

- Achtenberg, Emily Paradise and Peter Marcuse. "The Causes of the Housing Problem" in Rachel G. Bratt, et al., *Critical Perspectives on Housing*. Philadelphia: Temple University Press, 1986.
- Choko, Marc H. "Homeownership: From Dream to Materiality" in R. Allen Hays (ed.), *Ownership, Control, and the Future of Housing Policy*. Greenwich, CT: Greenwood, 1993.
- Green, Richard K. and Michelle J. White. *Measuring the Benefits of Homeowning: Effects on Children*. Chicago: Center for the Study of the Economy and the State, 1994.
- Kemeny, Jim. "A Critique of Homeownership" in Rachel G. Bratt, et al., *Critical Perspectives on Housing*. Philadelphia: Temple Univ. Press, 1986.
- Rohe, William M. and Michael A. Stegman. "The Effects of Homeownership on the Self-Esteem, Perceived Control, and Life Satisfaction of Low-Income People" in *Journal of the American Planning Association* 60 (1994): 173-84.

Homeownership and Neighborhood Stability

One of the most persistent claims made for homeownership is that owners have a greater economic and emotional stake in their community and thus are more likely than renters to act in ways that maintain and strengthen that community. While there is a rich sociological literature on the social and political life of communities, it concentrates on the importance of factors such as age, sex, income, presence of children, and residents' attitudes about their neighbors and neighborhood. However, several studies have considered the possible correlation between tenure choice and:

LENGTH OF RESIDENCE. In a seemingly direct sense, neighborhood stability means that residents are less likely to move away. Homebuying is frequently viewed as signifying a family's commitment to remain in the community. Numerous studies have consistently shown that homeowners are less likely to move than renters, and that neighborhoods of owner-occupants have lower

residential turnover, even after accounting for life cycle factors and housing characteristics. However, as Rohe and Stewart point out, factors such as lower incomes, which are also associated with length of residence among homeowners, "may have mitigating effects on overall neighborhood health, especially in the long run."

NEIGHBORING. It is thought that homeowners, unlike more transient renters, will more readily forge the informal social and mutual support relationships that foster close-knit, nurturing communities. In fact, several studies have found evidence that homeownership is positively asso-ciated with higher levels of neighboring. Overall, however, research on this topic has yielded decidedly mixed results, with some scholars finding no significant differ-ences in neighboring behaviors and at least one study of three British towns showing that renters actually had more friends in their neighborhood. However, none of these studies can establish whether homeownership in itself causes changes in neighboring.

UPKEEP. Advocates frequently explain their support for homeownership programs by asserting that such efforts promote improved neighborhood housing conditions and enhanced home values: owner-occupants are more likely than absentee landlords or their tenants to maintain and improve their properties. Research conducted by Galster affirms this belief. After controlling for a series of structural, household, and neighborhood characteristics, owner-occupants spent more on maintenance, were less likely to defer repairs, and reported fewer housing prob-lems. The contrast in maintenance efforts was "especially strong when comparing low-income households," suggesting that increasing ownership among such families could have a marked effect on neighborhood housing conditions.

CRIME PREVENTION. Beginning with Jane Jacobs, both scholarly and popular commentators have observed that the dynamics of stable neighborhoods seem to deter crime strangers are recognizable and residents, by the everyday acts of watching and using their surroundings, discourage illicit activity. Architect Oscar Newman has postulated that physical design features which assert this territoriality by demarcating and allocating space as semi-private can make the area more "defensible." Under this theory, neighborhoods of detached homes, where outside space is identified with a single family, are inherently safer than high-rise apartment blocks. Substantial research confirms that neighborhoods of single-family homes in good repair both traits associated with owner-occupancy, albeit imperfectly (particularly among lower income families) tend to experience less crime, although the precise reasons for this phenomenon are still unclear.

SOCIAL POLITICAL ACTIVISM. Another reason offered for the greater safety of predominantly owner-occupied neighborhoods is that stakeholders are more willing to commit time and resources to organizations and activities that promote social cohesion or address local problems. In fact, data have consistently shown that homeownership is associated with social and political participation, although tenure is less important than other attributes characteristic of homeowners, who tend to be older and have higher levels of income and education.

According to a 1986 nationwide survey by the National Association of Realtors, homeowners were more likely than comparable renters to volunteer time to community and religious organizations, to attend public hearings and to vote in national elections, to join community improve-ment groups, and to participate in voluntary organizations.

Rohe and Stegman's longitudinal study of low-income, first-time homebuyers found that homebuying increased a household's activity in neighborhood and block associations, but in the short term had little effect on participation in school, church, social, and political organizations beyond their immediate environment. Such results have generally been found to hold equally true whether the owner is motivated by a desire to protect their property's investment value or by some less tangible reason.

Additional Readings:

Baum, Terry C. and Paul William Kingston. "Homeownership and Social Attachment" in *Sociological Perspectives* 27 (1984): 159-80.

Chambers, Daniel N. and Mary B. Schwartz. *Owner-Renter Differences in Political and Social Involvement, Housing Maintenance, and Savings Choices*. Washington, DC: National Association of Realtors, 1989.

Cisneros, Henry G. *Defensible Space: Deterring Crime and Building Community*. Washington, DC: HUD, 1995.

Galster, George C. *Homeownership and Neighborhood Reinvestment*. Durham, NC: Duke Univ. Press, 1987.

Jacobs, Jane. *Death and Life of the Great American City*. New York: Random House, 1961.

Newman, Oscar. *Defensible Space*. New York: Macmillan, 1972.

Rohe, William M. and Michael A. Stegman. "The Impact of Homeownership on the Social and Political Involvement of Low-Income People" in *Urban Affairs Quarterly* 30 (1994): 28-50.

Rohe, William M. and Leslie Stewart. "Homeownership and Neighborhood Stability." Work in progress submitted to HUD, April 1995.

Saunders, Peter. *A Nation of Home Owners*. London: Unwin Hyman, 1990.

Homeownership and Economic Growth

Perhaps the greatest macroeconomic benefit of home-ownership is seen in the millions of jobs it creates for American workers. Building 1,000 single-family homes creates almost 2,100 full-time jobs. Almost half of these jobs are in onsite construction work; another 20 percent involve employment in transportation, trade, and other locally based services. Still more employment is created through the resulting increase in demand for household goods and services. Approximately 3 million workers are employed in residential construction, and industries that provide construction inputs employ another 3 million. Because housing production has such strong "multiplier" effects, construction activity is credited with the power to jump-start other sectors of the economy.

Given its vast size and labor-intensive nature, it is hardly surprising that

housing market activity is closely watched as a barometer of the Nation's economic health and as a harbinger of future trends. Total annual investment in residential property (\$282 billion in 1994) is over 4 percent of the entire U.S. gross domestic product (GDP). Investment in housing is estimated to account for at least one-third of the change in GDP as the national economy moves into or out of recession.

This investment in housing fuels an immensely powerful engine of economic activity. The use of the Nation's housing stock (rent and mortgage payments and related expenditures) represents more than 9 percent of GDP and 14 percent of personal consumption. Another 12 percent of personal consumption expenditures go toward household operations (including furniture, appliances, utilities, and maintenance).

The emergence of a strong secondary market for home mortgages has dramatically expanded investor participation in the housing market. Twenty years ago, banks and thrifts retained up to three-quarters of residential mortgages in their portfolios. However, since the late 1980s, Fannie Mae and Freddie Mac have purchased more than half of all newly-originated home mortgages. Most of these mortgages are pooled as mortgage-backed securities and sold in the secondary market, where they are purchased by mutual funds, pension funds, and a wide range of other institutional investors. These investors were holding \$1.5 trillion in mortgage-backed securities at the end of 1993, or nearly half of all residential mortgage debt.

Additional Readings:

Diamond, Douglas B. and Michael J. Lea. Sustainable Financing for Housing: A Contribution to Habitat II. Working paper. Washington, D.C.: Fannie Mae Office of Housing Research, 1995.

Dubin, Elliott. "Direct Fiscal Impacts of Residential Construction" in Housing Economics (May 1994): 11 14.

The Future of Home Building. Washington, DC: National Association of Home Builders, forthcoming.

"Homeownership Past, Present, and Future" in U.S. Housing Market Conditions (August 1994): 2 5.

"Patterns of Homeownership" in U.S. Housing Market Conditions (November 1994): 2 7.

U.S. Bureau of the Census. Residential Finance. 1990 Census of Housing, CH 4 1. Washington, D.C.: U.S. Government Printing Office, 1994.

The National Homeownership Strategy

For over 60 years, the Federal Government has played an important role in making the American Dream of homeownership a reality for millions of families. It created the Federal Housing Administration (FHA) and Government-sponsored enterprises such as Fannie Mae to enhance the availability and affordability of home mortgage funds. HUD and other Federal agencies have provided billions of dollars in grants and loans to support affordable home construction and rehabilitation and to aid low- and moderate-income families in buying their first home. Incentives for homeownership have been

written into the Nation's tax code.

However, Federal institutions, policies, and programs alone cannot meet President Clinton's goal of record-high levels of homeownership within the next 6 years. Under the leadership of Secretary Cisneros, HUD has forged a nationwide partnership that will draw on the resources and creativity of lenders, builders, real estate professionals, community-based nonprofit organizations, consumer groups, State and local governments and housing finance agencies, and many others in a cooperative, multifaceted campaign to create ownership opportunities and reduce the barriers facing underserved populations and communities. The National Homeownership Strategy is committed to:

CUTTING HOUSING PRODUCTION COSTS. Although the high cost of building and rehabilitating housing is a nationwide dilemma, the National Homeownership Strategy recognizes that the specific causes and thus many of the solutions vary significantly among local and regional markets. Accordingly, the National Partners have endorsed a wide range of complementary strategies to:

Reduce regulatory barriers that can significantly increase the cost of producing and rehabilitating affordable housing, including high-quality manufactured housing.

Encourage the production of modest "starter homes" that would be affordable to first-time homebuyers.

Stimulate the development of new building technologies, materials, and processes that could make homes more efficient to produce and operate.

MAKING FINANCING MORE AVAILABLE, AFFORDABLE, and FLEXIBLE. The inability (either real or perceived) of many younger families to qualify for a mortgage is widely recognized as a very serious barrier to homeownership. The National Homeownership Strategy commits both government and the mortgage industry to a number of initiatives designed to:

Cut transaction costs through streamlined regulations and technological and procedural efficiencies.

Reduce downpayment requirements and interest costs by making terms more flexible, providing subsidies to low- and moderate-income families, and creating incentives to save for homeownership.

Increase the availability of alternative financing products in housing markets throughout the country.

TARGETING ASSISTANCE TO UNDERSERVED COMMUNITIES. Decline and disinvestment have left many pockets of urban and rural America without the mortgage capital, infrastructure, and economic opportunity needed to make homeownership feasible for current residents and attractive to prospective ones. The National Homeownership Strategy urges government, employers, lenders, insurers, and nonprofits to undertake strategies that will:

Build the capacity of local actors to foster affordable homeownership in their own communities.

Promote homeownership opportunities in areas easily accessible to

employment.

Revitalize distressed urban neighborhoods so that they can attract and retain homeowners.

Expand homeownership in rural America through initiatives that recognize the unique challenges and resources of nonmetropolitan areas.

OPENING THE HOMEBUYING MARKET TO UNDERSERVED POPULATIONS.

Discrimination, inflexibility, and lack of information continue to keep homeownership out of reach for many Americans, including racial and ethnic minorities, people with disabilities, and others. The National Homeownership Strategy acknowledges a special need and presents a special opportunity to reach out to historically underserved populations through actions that:

Promote fair housing and fair lending by removing barriers that deter many Americans from seeking buying, insuring, or maintaining a home in the neighborhood of their choice.

Increase employment diversity in the homeownership industry.

RAISING AWARENESS OF HOMEOWNERSHIP OPPORTUNITIES. Although moderate interest rates and steady housing values have raised the National Association of Realtors Housing Affordability Index to its highest level in 20 years, many particularly younger families no longer believe that the American Dream is within their reach. The National Homeownership Strategy calls for a coordinated nationwide campaign to promote the accessibility of homeownership and emphasize its "importance...as a national value."

EXPANDING HOMEOWNERSHIP EDUCATION AND COUNSELING. A little help can make a big difference for first-time home-buyers struggling to cope with the challenges of finding and buying a home, as well as with the ongoing responsibilities of ownership. Lower income households in particular may lack important information about housing opportunities and financing options, or may need to develop their household budgeting and maintenance skills. The National Homeownership Strategy calls for creating "a new paradigm" that would "make counseling an integral component of the services made available at the local level to potential homebuyers." The Strategy proposes research, capacity-building, information-sharing, and other actions intended to:

Improve the quality, effectiveness, and availability of pre- and post-purchase counseling and education services.

Develop a dependable source of long-term funding for nonprofit homeownership counseling agencies.

Foster greater coordination at the local level between real estate brokers, lenders, and local providers of homeownership counseling and education services.

Conclusion

The United States has much at stake in the success of the National Homeownership Strategy. Although research on some key points

remains inconclusive, the preponderance of the existing scholarship confirms the validity of many of the benefits popularly attributed to homeownership. Homeownership is a key source of individual wealth and national prosperity. Overall, home-owners seem to be more content with their own lives and more likely to participate in the life of their neighborhood.

In some respects, the advantages of homeownership are greatest for the households who currently have the least access to them. Minorities derive a greater share of personal wealth from homeownership than whites. Home-ownership seems to make a particularly significant difference in the physical condition of low-income neighborhoods and, perhaps, in the lives of low-income children as well. By improving access to homeownership for those previously underserved, the National Home-ownership Strategy can, as Secretary Cisneros has predicted, "make a real difference in the lives of millions of American families, and in our communities, for years to come."



REALTOR®

ALASKA ASSOCIATION OF REALTORS, INC.

741 Sesame Street, Suite 100 • Anchorage, Alaska 99503

Telephone 907-563-7133 • Fax 907-561-1779

April 22, 1999

Senator Torgerson
State Capital
Juncau, Alaska 99801-1182

Dear Senator Torgerson,

The Alaska Association of REALTORS with over 1100 members statewide would like to recommend the following change to Senate Bill 150 which would raise the interest rates by 1% for small community housing mortgage loans under the housing assistance program of Alaska Housing Finance Corporation.

The Alaska Association recommends the definition of small communities be define as 11,000 people or less that are not connected to the road system, and 8,000 or less if connected to the road system.

This recommendation would solve inequities in current statutuue in rural areas while still providing an interest rate break for borrowers in areas where conventional mortgage programs are not available.

The Association encourages you to consider this recommendation to SB 150.

Sincerely,

Charles Sandberg, CCIM, CRS, GRI
1999 President

cc; Senate Finance Committee Members



BROKER
Michael V. Morris

ASSOCIATE BROKERS
Dick Synhorst
Debra Leisek

OFFICE MANAGER
Julie Neff

BAY REALTY, INC.
331 E. Pioneer Avenue, Suite A
Homer, Alaska 99603
Phone: 907-235-6183
Fax: 907-235-4031
email: bayrealt@xyz.net
<http://www.xyz.net/~bayrealt>

APR 27 1999

ASSOCIATES
Terry Yager
John D. Kosci
Mark Edwards
Scott Connelly
Cheri Edwards

PROPERTY MANAGER
Teri Stephens
Angela John

April 23, 1999

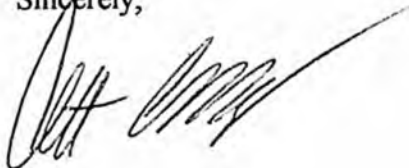
Senator John Torgerson
Room 514
State Capital
Juneau, Alaska 99801-1182

Dear Senator Torgerson:

I am writing to express to you my opposition to SB-150, reference to Small Communities (Rural) Loan Program Bill. My reasons are as follows:

- * The Rural Mortgage Program is a successful program and should not be changed like this.
- * Urban borrowers have access to plenty of opportunity for interest rate reductions. This does not need to be a "fairness" issue for Anchorage or Fairbanks.
- * This program pays for itself.

Sincerely,



Scott Connelly
Associate
Bay Realty, Inc.

SC/jn

BROKER
Michael V. Morris

ASSOCIATE BROKERS
Dick Synhorst
Debra Leisek

OFFICE MANAGER
Julie Neff

BAY REALTY, INC.
331 E. Pioneer Avenue, Suite A
Homer, Alaska 99603
Phone: 907-235-6183
Fax: 907-235-4031
email: bayrealt@xyz.net
http://www.xyz.net/~bayrealt

APR 27 1999

ASSOCIATES
Terry Yager
John D. Kosch
Mark Edwards
Scott Connelly
Cheri Edwards

PROPERTY MANAGER
Teri Stephens
Angela John

April 23, 1999

Senator John Torgerson
Room 514
State Capital
Juneau, Alaska 99801-1182

Dear Senator Torgerson:

I am writing to express to you my opposition to SB-150, reference to Small Communities (Rural) Loan Program Bill. My reasons are as follows:

- * The Rural Mortgage Program is a successful program and should not be changed like this.
- * Urban borrowers have access to plenty of opportunity for interest rate reductions. This does not need to be a "fairness" issue for Anchorage or Fairbanks.
- * This program pays for itself.

Sincerely,



Dick Synhorst
Associate Broker
Bay Realty, Inc.

DS/jn

BROKER
Michael V. Morris

ASSOCIATE BROKERS
Dick Synhorst
Debra Leisek

OFFICE MANAGER
Julie Neff

BAY REALTY, INC.
331 E. Pioneer Avenue, Suite A
Homer, Alaska 99603
Phone: 907-235-6183
Fax: 907-235-4031
email: bayrealt@xyz.net
<http://www.xyz.net/~bayrealt>

APR 27 1999

ASSOCIATES
Terry Yager
John D. Kosch
Mark Edwards
Scott Connelly
Cheri Edwards

PROPERTY MANAGER
Teri Stephens
Angela John

April 23, 1999

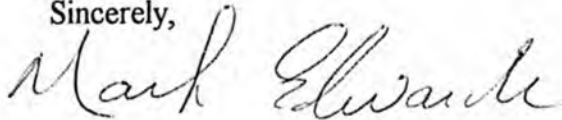
Senator John Torgerson
Room 514
State Capital
Juneau, Alaska 99801-1182

Dear Senator Torgerson:

I am writing to express to you my opposition to SB-150, reference to Small Communities (Rural) Loan Program Bill. My reasons are as follows:

- * The Rural Mortgage Program is a successful program and should not be changed like this.
- * Urban borrowers have access to plenty of opportunity for interest rate reductions. This does not need to be a "fairness" issue for Anchorage or Fairbanks.
- * This program pays for itself.

Sincerely,



Mark Edwards
Associate
Bay Realty, Inc.

ME/jn

BROKER
Michael V. Morris

ASSOCIATE BROKERS
Dick Synhorst
Debra Leisek

OFFICE MANAGER
Julie Neff

BAY REALTY, INC.
331 E. Pioneer Avenue, Suite A
Homer, Alaska 99603
Phone: 907-235-6183
Fax: 907-235-4031
email: bayrealt@xyz.net
<http://www.xyz.net/~bayrealt>

APR 27 1999

ASSOCIATES
Terry Yager
John D. Kosch
Mark Edwards
Scott Connelly
Cheri Edwards

PROPERTY MANAGER
Teri Stephens
Angela Jolui

April 23, 1999

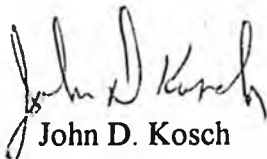
Senator John Torgerson
Room 514
State Capital
Juneau, Alaska 99801-1182

Dear Senator Torgerson:

I am writing to express to you my opposition to SB-150, reference to Small Communities (Rural) Loan Program Bill. My reasons are as follows:

- * The Rural Mortgage Program is a successful program and should not be changed like this.
- * Urban borrowers have access to plenty of opportunity for interest rate reductions. This does not need to be a "fairness" issue for Anchorage or Fairbanks.
- * This program pays for itself.

Sincerely,



John D. Kosch
Associate
Bay Realty, Inc.

JDK/jn

BROKER
Michael V. Morris

ASSOCIATE BROKERS
Dick Synhorst
Debra Leisek

OFFICE MANAGER
Julie Neff

BAY REALTY, INC.
331 E. Pioneer Avenue, Suite A
Homer, Alaska 99603
Phone: 907-235-6183
Fax: 907-235-4031
email: bayrealt@xyz.net
<http://www.xyz.net/~bayrealt>

APR 27 1999

ASSOCIATES
Terry Yager
John D. Kosch
Mark Edwards
Scott Connelly
Cheri Edwards

PROPERTY MANAGER
Teri Stephens
Angela John

April 23, 1999

Senator John Torgerson
Room 514
State Capital
Juneau, Alaska 99801-1182

Dear Senator Torgerson:

I am writing to express to you my opposition to SB-150, reference to Small Communities (Rural) Loan Program Bill. My reasons are as follows:

- * The Rural Mortgage Program is a successful program and should not be changed like this.
- * Urban borrowers have access to plenty of opportunity for interest rate reductions. This does not need to be a "fairness" issue for Anchorage or Fairbanks.
- * This program pays for itself.

Sincerely,



Cheri Edwards
Associate
Bay Realty, Inc.

CE/jn

04/22/99
10:12:11

LEGISLATIVE TELECONFERENCE NETWORK SYSTEM
PARTICIPANT LIST (TESTIFIERS ONLY)
TCN:90622 SCHEDULED FOR:04/22/99 09:00 TO 11:00
PUBLIC HEARING SENATE FINANCE

LTN1150
BY:JNU
FOR:ALL

LOCATION: ANCHORAGE

SB 150		✓BRUCE	KOVARIK	ASSN AK HOUSING	TESTIFY
SB 150		✓SUE	BENEDETT		TESTIFY
SB 150		✓ROBIN	WARD		TESTIFY
SB 150	left	✓JUDY	KEMPLEN	NBA	TESTIFY
SB 151		STEVE	VAN SANT	STATE ASSESSOR	TESTIFY
ALL ITEMS		DWIGHT	BECKER	SB73 ANS? SENIOR SERVICES	TESTIFY
ALL ITEMS		JEFF	JESSE	ANS ?S SB73	TESTIFY

LOCATION: DILLINGHAM

SB 150		✓DAVE	MCCLURE	BBHA	TESTIFY
--------	--	-------	---------	------	---------

LOCATION: HOMER

SB 150	MS.	✓ANNE	WHITNEY	KACH. BOARD REALT	TESTIFY
SB 150	MS.	✓ANGIE	NEWBY	KACH BOARD REALT	TESTIFY

LOCATION: KENAI LIO

SB 150	MR. left	DAVE	FEEKEN	KPAR	TESTIFY
SB 151	MR.	DALE	BONDURANT	SELF	TESTIFY
SB 151	MR.	BYRON	BONDURANT	SELF	TESTIFY

LOCATION: KODIAK

SB 150	MR.	✓BOB	BRODIE	ASSOC REALTY	TESTIFY
SB 150	MS	✓BONNIE	AULABAUGH	REALTY	TESTIFY
SB 151	MS	DORIS	BACUS	SENIOR	TESTIFY
SB 151	MS	✓PAT Ed	BRANSON Mahoney	SENIOR CTR	TESTIFY

LOCATION: KETCHIKAN

SB 151	MR.	JOE	CRAIG		TESTIFY
SB 151	MR.	ED	ZASTROW	AARP	TESTIFY
SB 151	MAYOR	BOB	WEINSTEIN	CITY OF KTN	TESTIFY

LOCATION: MATSU

SB 151	MS	MARY	CURRY		TESTIFY
--------	----	------	-------	--	---------

SB

151

SFIN

FILE

SB 151

was referred to the
Senate Finance
Committee

Hearing(s) were held

The bill did not move
from Committee

SENATE FINANCE
COMMITTEE

Amendment Number: # 1 1-LS0842A.2
Bill Number: CS SB 151 (FIN) "G" Cook
Sponsor: Torgerson Date: 4/22/99 4/22/99
Logged In By: J. Seltzer

AMENDMENT

OFFERED IN THE SENATE

TO: SB 151

Sen. Pave U moved.
w/o obj. ADOPTED.

Torgerson

1 Page 1, line 2, following "residents;":

2 Insert "relating to an exclusion from local tax limitations for taxes levied on
3 certain property;"

4 Page 2, following line 11:

5 Insert a new bill section to read:

6 "* Sec. 5. EXCLUSION FROM LOCAL TAX LIMITATIONS. Taxes levied on property
7 that was wholly or partially exempt from property taxes under former AS 29.45.030(e) during
8 1999 may not be considered for purposes of applying any limitation on municipal taxation
9 during 2000 imposed by ordinance or municipal charter."

10 Renumber the following bill section accordingly.

SENATE FINANCE
COMMITTEE #2
Amendment Number: #2
Bill Number: CSSB151(FIN).G
Sponsor: Parnell Date: 1/22/99
Logged In By: J. Holtz

Parnell

AMENDMENT

Sen. Parnell moved
w/o obj. ADOPTED

OFFERED IN THE SENATE

TO: CS FOR SB 151 WORK DRAFT "G"

Page 3, line 4 following "subsection.":

Insert "An ordinance adopted under this subsection may limit the exemption to only those individuals with financial need as defined in the ordinance."

WORK DRAFT

WORK DRAFT

WORK DRAFT

1-LS0842VH
Cook
4/24/99

CS FOR SENATE BILL NO. 151(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): **SENATE FINANCE COMMITTEE**

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the determination of full and true value of taxable property
2 in a municipality; relating to exemptions for municipal property taxes for certain
3 primary residences; relating to an exclusion from local tax limitations for taxes
4 levied on certain property; relating to property tax equivalency payments for
5 certain residents; and providing for an effective date."

6 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

7 * Section 1. AS 14.17.510(a) is amended to read:

8 (a) To determine the amount of required local contribution under
9 AS 14.17.410(b)(2) and to aid the department and the legislature in planning, the
10 Department of Community and Regional Affairs, in consultation with the assessor for
11 each district in a city or borough, shall determine the full and true value of the taxable
12 real and personal property in each district in a city or borough. If there is no local
13 assessor or current local assessment for a city or borough school district, then the

WORK DRAFT

WORK DRAFT

1-J.S0842NH

1 Department of Community and Regional Affairs shall make the determination of full
 2 and true value from information available. In making the determination, the
 3 Department of Community and Regional Affairs shall be guided by AS 29.45.110.
 4 However, the first \$150,000 of the value of property exempted under
 5 AS 29.45.050(p) may not be included in the determination. The determination of
 6 full and true value shall be made by October 1 and sent by certified mail, return
 7 receipt requested, on or before that date to the president of the school board in each
 8 city or borough school-district. Duplicate copies shall be sent to the commissioner.
 9 The governing body of a city or borough that is a school district may obtain judicial
 10 review of the determination. The superior court may modify the determination of the
 11 Department of Community and Regional Affairs only upon a finding of abuse of
 12 discretion or upon a finding that there is no substantial evidence to support the
 13 determination.

14 * Sec. 2. AS 29.45.030(a) is amended to read:

15 (a) The following property is exempt from general taxation:

16 (1) municipal property, including property held by a public corporation
 17 of a municipality, or state property, or land that is in the trust established by the
 18 Alaska Mental Health Enabling Act of 1956, P.L. 84-830, 70 Stat. 709, except that

19 (A) a private leasehold, contract, or other interest in the
 20 property is taxable to the extent of the interest;

21 (B) notwithstanding any other provision of law, property
 22 acquired by an agency, corporation, or other entity of the state through
 23 foreclosure or deed in lieu of foreclosure and retained as an investment of a
 24 state entity is taxable; this subparagraph does not apply to federal land granted
 25 to the University of Alaska under AS 14.40.380 or 14.40.390, or to other land
 26 granted to the university by the state to replace land that had been granted
 27 under AS 14.40.380 or 14.40.390;

28 (C) an ownership interest of a municipality in real property
 29 located outside the municipality acquired after December 31, 1990, is taxable
 30 by another municipality; however, a borough may not tax an interest in real
 31 property located in the borough and owned by a city in that borough;

WORK DRAFT

WORK DRAFT

1-LS0842MH

1 (2) household furniture and personal effects of members of a
2 household;

3 (3) property used exclusively for nonprofit religious, charitable,
4 cemetery, hospital, or educational purposes;

5 (4) property of a nonbusiness organization composed entirely of persons
6 with 90 days or more of active service in the armed forces of the United States whose
7 conditions of service and separation were other than dishonorable, or the property of
8 an auxiliary of that organization;

9 (5) money on deposit;

10 (6) the real property of certain residents of the state to the extent and
11 subject to the conditions provided in (e) and (o) of this section;

12 (7) real property or an interest in real property that is exempt from
13 taxation under 43 U.S.C. 1620(d), as amended;

14 (8) property of a political subdivision, agency, corporation, or other
15 entity of the United States to the extent required by federal law; except that a private
16 leasehold, contract, or other interest in the property is taxable to the extent of that
17 interest;

18 (9) natural resources in place including coal, ore bodies, mineral
19 deposits, and other proven and unproven deposits of valuable materials laid down by
20 natural processes, unharvested aquatic plants and animals, and timber.

21 * Sec. 3. AS 29.45.030(e) is amended to read:

22 (c) The real property owned and occupied as the primary residence and
23 permanent place of abode by a (1) resident 65 years of age or older; (2) disabled
24 veteran; or (3) resident at least 60 years old who is the widow or widower of a person
25 who qualified for an exemption under (1) or (2) of this subsection, is exempt from
26 taxation on the first \$150,000 of the assessed value of the real property. A
27 municipality may, in case of hardship, provide for exemption beyond the first \$150,000
28 of assessed value in accordance with regulations of the department. Only one
29 exemption may be granted for the same property and, if two or more persons are
30 eligible for an exemption for the same property, the parties shall decide between or
31 among themselves who is to receive the benefit of the exemption. Real property may

WORK DRAFT

WORK DRAFT

I-I.S0842\H

1 not be exempted under this subsection if the assessor determines, after notice and
 2 hearing to the parties, that the property was conveyed to the applicant primarily for the
 3 purpose of obtaining the exemption. The determination of the assessor may be
 4 appealed under AS 44.62.560 - 44.62.570. A municipality may by ordinance opt out
 5 of application of this subsection. The ordinance may be made subject to voter
 6 approval. A municipality that opts out of application of this subsection is subject
 7 to (o) of this section.

8 * Sec. 4. AS 29.45.030(f) is amended to read:

9 (f) An exemption may not be granted under (c) or (o) of this section except
 10 upon written application for the exemption on a form approved by the state assessor
 11 for use by local assessors. The claimant must file the application no later than January
 12 15, or a date provided by ordinance that is not later than March 31, of the assessment
 13 year for which the exemption is sought. The governing body of the municipality for
 14 good cause shown may waive during a year the claimant's failure to make timely
 15 application for exemption for that year and authorize the assessor to accept the
 16 application as if timely filed. The claimant must file a separate application for each
 17 assessment year in which the exemption is sought. If an application is filed within the
 18 required time and is approved by the assessor, the assessor shall allow an exemption
 19 in accordance with the provisions of this section. If a failure to file by January 15, or
 20 a date provided by ordinance that is not later than March 31, of the assessment year
 21 has been waived as provided in this subsection and the application for exemption is
 22 approved, the amount of tax that the claimant has already paid for the assessment year
 23 for the property exempted shall be refunded to the claimant. The assessor shall require
 24 proof in the form the assessor considers necessary of the right to and amount of an
 25 exemption claimed under (c) or (o) of this section, and shall require a disabled veteran
 26 claiming an exemption under (c) or (o) of this section to provide evidence of the
 27 disability rating. The assessor may require proof under this section at any time.

28 * Sec. 5. AS 29.45.030(g) is amended to read:

29 (g) The state shall reimburse a borough or city, as appropriate, for the real
 30 property tax revenues lost to it by the operation of (c) or (o) of this section. However,
 31 reimbursement may be made to a municipality for revenue lost to it only to the extent

WORK DRAFT

WORK DRAFT

I-LS0842II

1 that the loss exceeds an exemption that was granted by the municipality, or that on
 2 proper application by an individual would have been granted under AS 29.45.050(a).
 3 If appropriations are not sufficient to fully fund reimbursements under this subsection,
 4 the amount available shall be distributed pro rata among eligible municipalities.

5 * Sec. 6. AS 29.45.030(i) is amended to read:

6 (i) In (c) - (i) and (o) of this section,

7 (1) "disabled veteran" means a disabled person

8 (A) separated from the military service of the United States
 9 under a condition that is not dishonorable who is a resident of the state, whose
 10 disability was incurred or aggravated in the line of duty in the military service
 11 of the United States, and whose disability has been rated as 50 percent or more
 12 by the branch of service in which that person served or by the Veterans'
 13 Administration; or

14 (B) who served in the Alaska Territorial Guard, who is a
 15 resident of the state, whose disability was incurred or aggravated in the line of
 16 duty while serving in the Alaska Territorial Guard, and whose disability has
 17 been rated as 50 percent or more;

18 (2) "real property" includes but is not limited to mobile homes, whether
 19 classified as real or personal property for municipal tax purposes.

20 * Sec. 7. AS 29.45.030(k) is amended to read:

21 (k) The department shall adopt regulations to implement the provisions of (g),
 22 [AND] (j), and (o) of this section.

23 * Sec. 8. AS 29.45.030 is amended by adding a new subsection to read:

24 (o) The real property owned and occupied as the primary residence and
 25 permanent place of abode by a resident who is (1) a disabled veteran or, (2) at least
 26 60 years old and the widow or widower of a person who qualified for an exemption
 27 under (1) of this subsection, is exempt from taxation on the first \$150,000 of the
 28 assessed value of the real property. A municipality may, in case of hardship, provide
 29 for exemption beyond the first \$150,000 of assessed value in accordance with
 30 regulations of the department. Only one exemption may be granted for the same
 31 property and, if two or more persons are eligible for an exemption for the same

WORK DRAFT

WORK DRAFT

I-I.S0842\H

1 property, the parties shall decide between or among themselves who is to receive the
 2 benefit of the exemption. Real property may not be exempted under this subsection
 3 if the assessor determines, after notice and hearing to the parties, that the property was
 4 conveyed to the applicant primarily for the purpose of obtaining the exemption. The
 5 determination of the assessor may be appealed under AS 44.62.560 - 44.62.570. This
 6 subsection applies only to a municipality that has adopted an ordinance opting out of
 7 (c) of this section.

8 * Sec. 9. AS 29.45.050(i) is amended to read:

9 (i) A municipality that has not opted out of application of AS 29.45.030(e)
 10 may by ordinance approved by the voters exempt from taxation the assessed value that
 11 exceeds \$150,000 of real property owned and occupied as a permanent place of abode
 12 by a resident who is (1) 65 years of age or older; (2) a disabled veteran, including a
 13 person who was disabled in the line of duty while serving in the Alaska Territorial
 14 Guard; or (3) at least 60 years old and a widow or widower of a person who qualified
 15 for an exemption under (1) or (2) of this subsection. An ordinance adopted under
 16 this subsection may limit the exemption to only those individuals with financial
 17 need as defined in the ordinance.

18 * Sec. 10. AS 29.45.050 is amended by adding a new subsection to read:

19 (p) A municipality that has opted out of application of AS 29.45.030(e) may
 20 by ordinance approved by the voters wholly or partially exempt from taxation the
 21 assessed value of real property owned and occupied as a permanent place of abode by
 22 a resident who is (1) 65 years of age or older, or (2) at least 60 years old and a widow
 23 or widower of a person who qualified for an exemption under (1) of this subsection.
 24 An ordinance adopted under this subsection may limit the exemption to only those
 25 individuals with financial need as defined in the ordinance.

26 * Sec. 11. AS 29.45.040 is repealed.

27 * Sec. 12. EXCLUSION FROM LOCAL TAX LIMITATIONS. Taxes levied on property
 28 that was wholly or partially exempt from property taxes under AS 29.45.030(e) during 1999
 29 may not be considered for purposes of applying any limitation on municipal taxation during
 30 2000 imposed by ordinance or municipal charter.

31 * Sec. 13. This Act takes effect January 1, 2000.

1-I.S0842\G-

Cook/

4/22/99

*moved by Sen. Pavencell
Sen. Adams object.*

*8-1(Adams) ADOPTED
as working draft*

CS FOR SENATE BILL NO. 151(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

**Offered:
Referred:**

Sponsor(s): SENATE FINANCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the determination of full and true value of taxable property
2 in a municipality; relating to exemptions for municipal property taxes for certain
3 primary residences; relating to property tax equivalency payments for certain
4 residents; and providing for an effective date."

5 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

6 * **Section 1.** AS 14.17.510(a) is amended to read:

7 (a) To determine the amount of required local contribution under
8 AS 14.17.410(b)(2) and to aid the department and the legislature in planning, the
9 Department of Community and Regional Affairs, in consultation with the assessor for
10 each district in a city or borough, shall determine the full and true value of the taxable
11 real and personal property in each district in a city or borough. If there is no local
12 assessor or current local assessment for a city or borough school district, then the
13 Department of Community and Regional Affairs shall make the determination of full
14 and true value from information available. In making the determination, the

1 Department of Community and Regional Affairs shall be guided by AS 29.45.110.
2 **However, the value of property exempted under AS 29.45.050(i) or (p) may not**
3 **be included in the determination to the extent of the exemption.** The determination
4 of full and true value shall be made by October 1 and sent by certified mail, return
5 receipt requested, on or before that date to the president of the school board in each
6 city or borough school district. Duplicate copies shall be sent to the commissioner.
7 The governing body of a city or borough that is a school district may obtain judicial
8 review of the determination. The superior court may modify the determination of the
9 Department of Community and Regional Affairs only upon a finding of abuse of
10 discretion or upon a finding that there is no substantial evidence to support the
11 determination.

12 * Sec. 2. AS 29.45.030(e) is amended to read:

13 (e) The real property owned and occupied as the primary residence and
14 permanent place of abode by a **resident who is** (1) **a** [RESIDENT 65 YEARS OF
15 AGE OR OLDER; (2)] disabled veteran [;] or, **(2)** [(3) RESIDENT] at least 50 years
16 old **and** [WHO IS] the widow or widower of a person who qualified for an exemption
17 under (1) [OR (2)] of this subsection, is exempt from taxation on the first \$150,000
18 of the assessed value of the real property. A municipality may, in case of hardship,
19 provide for exemption beyond the first \$150,000 of assessed value in accordance with
20 regulations of the department. Only one exemption may be granted for the same
21 property and, if two or more persons are eligible for an exemption for the same
22 property, the parties shall decide between or among themselves who is to receive the
23 benefit of the exemption. Real property may not be exempted under this subsection
24 if the assessor determines, after notice and hearing to the parties, that the property was
25 conveyed to the applicant primarily for the purpose of obtaining the exemption. The
26 determination of the assessor may be appealed under AS 44.62.560 - 44.62.570.

27 * Sec. 3. AS 29.45.050(i) is amended to read:

28 (i) A municipality may by ordinance approved by the voters exempt from
29 taxation the assessed value that exceeds \$150,000 of real property owned and occupied
30 as a permanent place of abode by a resident who is

31 (1) [65 YEARS OF AGE OR OLDER;

- 1 (2)] a disabled veteran, including a person who was disabled in the line
2 of duty while serving in the Alaska Territorial Guard; or
3 (2) [(3)] at least 60 years old and a widow or widower of a person who
4 qualified for an exemption under (1) [OR (2)] of this subsection.
- 5 * Sec. 4. AS 29.45.050 is amended by adding a new subsection to read:
6 (p) A municipality may by ordinance approved by the voters wholly or
7 partially exempt from taxation the assessed value of real property owned and occupied
8 as a permanent place of abode by a resident who is (1) 65 years of age or older, or (2)
9 at least 60 years old and a widow or widower of a person who qualified for an
10 exemption under (1) of this subsection.
- 11 * Sec. 5. AS 29.45.040 is repealed.
- 12 * Sec. 6. This Act takes effect January 1, 2000.

1-LS0842\D

Cook

4/21/99

RECEIVED

APR 21 1999

Senate Finance
Committee

CS FOR SENATE BILL NO. 151(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:

Referred:

Sponsor(s): SENATE FINANCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the determination of full and true value of taxable property
2 in a municipality; relating to exemptions for municipal property taxes for certain
3 primary residences; relating to property tax equivalency payments for certain
4 residents; and providing for an effective date."

5 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

6 * **Section 1.** AS 14.17.510(a) is amended to read:

7 (a) To determine the amount of required local contribution under
8 AS 14.17.410(b)(2) and to aid the department and the legislature in planning, the
9 Department of Community and Regional Affairs, in consultation with the assessor for
10 each district in a city or borough, shall determine the full and true value of the taxable
11 real and personal property in each district in a city or borough. If there is no local
12 assessor or current local assessment for a city or borough school district, then the
13 Department of Community and Regional Affairs shall make the determination of full
14 and true value from information available. In making the determination, the

1 Department of Community and Regional Affairs shall be guided by AS 29.45.110.
2 However, the value of property exempted under AS 29.45.050(i) may not be
3 included in the determination to the extent of the exemption. The determination
4 of full and true value shall be made by October 1 and sent by certified mail, return
5 receipt requested, on or before that date to the president of the school board in each
6 city or borough school district. Duplicate copies shall be sent to the commissioner.
7 The governing body of a city or borough that is a school district may obtain judicial
8 review of the determination. The superior court may modify the determination of the
9 Department of Community and Regional Affairs only upon a finding of abuse of
10 discretion or upon a finding that there is no substantial evidence to support the
11 determination.

12 * Sec. 2. AS 29.45.030(h) is amended to read:

13 (h) Nothing in (i) [EXCEPT AS PROVIDED IN (g) OF THIS SECTION,
14 NOTHING IN (e) - (j)] of this section affects similar exemptions from property taxes
15 granted by a municipality on September 10, 1972 [, OR PREVENTS A
16 MUNICIPALITY FROM GRANTING SIMILAR EXEMPTIONS BY ORDINANCE
17 AS PROVIDED IN AS 29.45.050].

18 * Sec. 3. AS 29.45.030(k) is amended to read:

19 (k) The department shall adopt regulations to implement the provisions of [(g)
20 AND] (j) of this section.

21 * Sec. 4. AS 29.45.050(i) is amended to read:

22 (i) A municipality may by ordinance approved by the voters wholly or
23 partially exempt from taxation the assessed value [THAT EXCEEDS \$150,000] of
24 real property owned and occupied as a permanent place of abode by a resident who
25 is

26 (1) 65 years of age or older;

27 (2) a disabled veteran, including a person who was disabled in the line
28 of duty while serving in the Alaska Territorial Guard; or

29 (3) at least 60 years old and a widow or widower of a person who
30 qualified for an exemption under (1) or (2) of this subsection.

31 * Sec. 5. AS 29.45.030(a)(6), 29.45.030(e), 29.45.030(f), 29.45.030(g), 29.45.030(i), and

- 1 29.45.040 are repealed.
- 2 * Sec. 6. This Act takes effect January 1, 2000.



Official Business

Alaska State Senate

Senate Finance Committee

Mail Stop 3100
State Capitol
Juneau, Alaska 99801-1182

SPONSOR STATEMENT

Senate Bill 151 Municipal Property Tax Exemptions

Senate Bill 151 addresses the municipal property tax exemptions for senior citizens and disabled veterans. Current statute, AS 29.45.030 (e), requires that municipalities must exempt those citizens from paying property tax, up to \$150,000 of assessed value. SB 151 amends this statute to give municipalities control over the program by allowing either whole or partial tax exemptions in these cases.



Alaska State Legislature

Please enter into the record my testimony to the Senate Finance
committee name

committee on Senate Bill 151, dated 4-22-99
bill/subject

I UNDERSTAND SENATE BILL 151, IF PASSED, WILL ELIMINATE THE TAX EXEMPTION FOR SENIOR CITIZENS LIVING IN THE OWN HOMES. IF SO I AM OPPOSED TO THIS BILL. IF PASSED DOES THIS MEAN YOU WANT THESE SENIOR RESIDENTS TO GO ON PUBLIC ASSISTANCE OR JUST GET UP AND LEAVE THIS GREAT STATE? EVERY TIME WE TURN AROUND SOMEONE IS TRYING TO TAKE SOMETHING AWAY FROM US. SOCIAL SECURITY, LONG CARE, PERMANENT FUND, SENIOR PROPERTY TAX, ETC. ETC... WE ARE FORCED TO GO ON MEDICARE, THEN YOU LOSE YOUR GOOD DOCTOR AND HAVE TO FIND A NEW ONE THAT WILL ACCEPT MEDICARE. THEY ARE HARD TO FIND. SOMEDAY, I HOPE ALL OF YOU THAT ARE TRYING TO RUIN OUR LIVELIHOOD, GET OLD ENOUGH TO HAVE TO PUT UP WITH WHAT THE YOUNGER GENERATION IS TRYING TO POKE DOWN YOUR THROATS. I HAVE LIVED HERE SINCE 1954, RAISED SIX CHILDREN WHICH FOUR STILL LIVE HERE, ONE IN ARIZONA AND ONE DECEASED.

THANK YOU FOR YOUR TIME.

Signed: Dale A. Albinus
Testifier

Representing (Optional)

4-20-99

Please submit as written testimony to the House Community & Regional Affairs Committee regarding HB 200 and the Senate Finance Committee regarding SB 151:

"The state's plan to continue excessive government, bureaucracies, etc. at expense of municipalities and senior citizens is a travesty (HB 200, SB 151). Cut whole departments, reduce all operational expenses and salaries by 10% (Governor on down), SELL state land, stop "discretionary funding" and put a one-year moratorium on all capital projects. Thanks."

**Stan Thompson
Box 217
Kenai, AK 99611**

1
Testimony
Senate Bill No 151
Senate Finance Committee

As a retired Engineer and University Educator one becomes ^{more} conscious of what isn't said or left out than ^{what} is included in a paper or document. Such appears to be the case with Senate Bill No. 151.

Without an accompanying letter of submission and/or intent, anything that ^{the} Alaskan Legislature considers these days is suspect. It automatically has to be related to either reducing state spending or in helping municipalities to face transfer of responsibilities or reduction in state funds to them.

Assuming these suspicions are correct I'm writing this after appearing in Kenai to testify at a teleconference scheduled this morning which was postponed after waiting for two hours.

Being over 65 and disabled I can sympathize with those much worse off than myself and likely to be adversely affected by the permissiveness

of this revised Statute.

The loss of benefits once granted to the special groups identified in this Bill as well as to others ~~and~~ seem to be the primary target of the Twenty First⁽¹⁾ Legislature.

Any loss of ^{potentially} benefits or increased fees for use of services should be considered only when those who had none of these benefits to begin with are in some way ~~also~~ also taxed at the same time. I will not vote for any aspiring legislator or other elective officer whose claim to fame is promise to reduce my taxes or promise of no new taxes and in attempting to do so reduces his attention and care of the needy especially because of age (the old or the young), the infirm (the old or the sick) and the weak (needy care and support).

In the 14 years since I decided to become an Alaskan in fact rather than just by desire, all I've seen is hand aids ^{applied} to problems. Now that a tourniquet is necessary it appears to be being applied to the neck.

Recently the effective action of The Legislature and The Administration

3)

was to reduce the taxes and/or royalties on those benefiting from the resources which belong to all Alaskans not to the migratory industries (extractive businesses)

I beseech each of you collectively and individually to have the intestinal fortitude to quit thinking about being reelected but bite the bullet and consider seriously sound equitable and fair taxes to reduce dependency on and becoming further hostages to the Oil Industry. Then and only then apply the tourniquet but not to the neck of the old, the young and all who can't defend themselves.

Once there was an Alaskan Income Tax. Once there was a surplus of available state funds from oil. Now there is neither. Regardless of where the tourniquet is applied its not going to work very long. When the patient dies it will be too late!

Thank You
Byron L. Pondurant, P.E

April 22, 1999

I oppose Senate Bill 158
and other such attacks on other
public social programs

The multi national oil executives are smiling in their plush living conditions ~~with their English beer~~, while destroying the public benefits from our ownership of Alaska's oil resources; whether such benefits are Permanent Fund dividends or include property tax exemptions on senior citizen and veteran's homes, medical & health care benefits, schools, roads, etc, the oil companies know that as the public as individuals or ~~the~~ ^{the} whole, have less personal benefits from the income from the depleting oil resources; ~~Thus~~ the oil industry can more easily rape the public owned resources because less benefits equate to less public interest.

These companies have at least two clear weapons in their rape of Alaska's oil resources. They jack oil prices up and down, making huge profits under either market situation, while claiming their need of better business consideration ^{such as} of less or even no royalty ^{tax} charges, what so ever.

Their massive media propaganda claims

a need of public partnership in the
rape of our oil wealth, while at the
same time merged companies to increase
profits by ~~cutting~~ cutting competition,
less jobs and increase pressure to
completely destroy the permanent fund
and beneficial public programs.

The created present economic situation
~~is is now present~~ is designed so as to
drain our permanent fund and eliminate
such tax exempt benefits as reflected
in SB 151, which otherwise transfers
state funding to municipal funding
responsibility of such necessities as
schools road, healthcare etc.

The solution for these created financial
short falls is to demand truly fair
and responsible returns from Alaska
oil resource. When these nonrenewable
public resources are depleted and the
public permanent fund accounts are
completely drained, the oil ^{companies} will leave
Alaska with big smiles and tell
in house jokes of how they raped
Alaska while drinking mugs of English
beer.

Dale Bondurant
31864 Moonshine Dr
Soldotna AK 99669



Alaska State Legislature

Please enter into the record my testimony to the Senate Finance
committee name

committee on Senate Bill 151, dated 4-22-99
bill/subject

I UNDERSTAND SENATE BILL 151, IF PASSED, WILL ELIMINATE THE TAX EXEMPTION FOR SENIOR CITIZENS LIVING IN THEIR OWN HOMES. IF SO I AM OPPOSED TO THIS BILL. IF PASSED DOES THIS MEAN YOU WANT THESE SENIOR RESIDENTS TO GO ON PUBLIC ASSISTANCE OR JUST GET UP AND LEAVE THIS GREAT STATE? EVERY TIME WE TURN AROUND SOMEONE IS TRYING TO TAKE SOMETHING AWAY FROM US. SOCIAL SECURITY, LONG CARE, PERMANENT FUND, SENIOR PROPERTY TAX, ETC. ETC... WE ARE FORCED TO GO ON MEDICARE, THEN YOU LOOSE YOUR GOOD DOCTOR AND HAVE TO FIND A NEW ONE THAT WILL ACCEPT MEDICARE. THEY ARE HARD TO FIND.

SOME DAY, I HOPE ALL OF YOU THAT ARE TRYING TO RUIN OUR LIVELIHOOD, GET OLD ENOUGH TO HAVE TO PUT UP WITH WHAT THE YOUNGER GENERATION IS TRYING TO POKE DOWN YOUR THROATS. I HAVE LIVED HERE SINCE NOV. 1954, RAISED SIX CHILDREN WHICH FOUR STILL LIVE HERE, ONE IN ARIZONA AND ONE DECEASED.

THANK YOU FOR YOUR TIME.

Signed:

Dale A. Hillman

Testifier

Representing (Optional)

P.O. Box 873924 WASILLA AK. 99687

Address

907-376-6931

Phone No.



Alaska State Legislature

Please enter into the record my testimony to the Senate Finance
committee name

committee on SB 151, dated 4/22/99
bill/subject

I am writing this letter on behalf of not only my husband and I (Dale A. Hillmer & Joan V Anderson), but also for the many longtime senior citizens, who have given so much to this state through the years.

I don't want to bore you with my life history, but if I may, I would like to give a glimpse of the endeavors and loyalty it has taken to build a young territory into the great state we have today. We need leaders who are also honest and loyal to protect us from fraud and the greedy exploiters who will always be at the front door for the handouts without giving of themselves in return.

Signed: JOAN V ANDERSON
Testifier

Representing (Optional)

P.O. Box 873924
Address

Wasilla Alaska 99687

Phone No.
316-6931

Alaska State Legislature
Senate Finance Committee - SB-151

DALE A. HILLMER / JOAN V ANDERSON

Long ago, in 1940, my brother, Bob and I, Jan, accompanied our parents, James and Vivian (Vie) Norene to Alaska, via the Alaska Steamship. In 1941 we arrived in Anchorage on the onset of World War II. Because of the housing shortage, we lived in a one-room cabin in Mountain View, pioneering in every aspect.

After the war was over, my mother operated a small grocery store - and on that store window ^(Vie's Grocery) she hung the first real estate license in Anchorage. I do have pictures of such, plus a letter from an attorney, who stated "he was relieved he could then have help to close real estate transactions." There were times my

NOTES
(NORENE REALTY)

Mother gave up her commissions to help their fellow Alaskans to be able to own a home. My father worked hard on civic matters, he helped to "father" the School Board, was on the planning Commission and served in the last Territorial and 1st State Legislature. Their riches were not monetary, but of the respect they received for their honesty and many contributions to their fellow Alaskans and the state they so loved.

In turn, my brother, Robert Norene, managed Alaska Title & Guarantee in Kenai. He became very active in local politics and was very respected for his honesty and leadership.

I worked hard for many, many years in the grocery business, raising my child and keeping my money here in Alaska never taking - only giving of myself in many ways.

JOAN V ANDERSON

My husband, Dale A. Hillmer, has been a resident of Alaska since 1954. He worked hard to support and raise 6 children through hard times when he badly broke his leg, never asking for any assistance.

And now we are both retired and on fixed incomes, which are underpaid and overtaxed! Within the last few years, we have experienced major health problems: I myself had a heart attack, Dale has progressive emphysema, which was largely caused from construction work. We no longer can enter the work force. There are threats of reductions in ^{our} health insurance, plus the fact that there is an increase of doctors who are refusing to care for medicare patients.

Because of our ages, we did not qualify for other programs intended to help the seniors stay in Alaska. Last year we received our first Senior property tax exemption, which helped us greatly! No, we are not living at a poverty level, but if anything happened to either one of us, we would have a tough time. The cost of living, in general, is and will continue to be on the rise.

There are other avenues to take without hurting the seniors and disabled veterans. A statewide sales tax would be a fair way of taxing everyone equally and gain substantial revenue.

Page 4
Alaska State Legislature
Senate Finance Committee - SB 151

* Crackdown on the fraud involved in the Longevity and Permanent Fund Dividend programs. Also the fraud of property owners putting their elderly parents names on their deeds. Some required to reside in Alaska each year is very much abused. Perhaps demand longer residency before filling their greedy pockets (5 to 7 years).

The State created the Senior tax Exemptions, but has not funded this program for the municipalities or boroughs. This, I believe, is unlawful! If further cuts are made to local governments, they certainly will want the revenue for their pet projects.

We need a Governor who will take a firm stand for the good of all Alaskans and not cater to special interest or his best interests. And we need politicians who will do the same.

We would appreciate your views on our concerns, which I believe are concerns of many fellow Alaskans. We love Alaska and would like to live out our lives in our own home (the first home I have ever owned), in the State that we love.

Thank you so much for your time and consideration.

Sincerely,
Joan V. Anderson
P.O. Box 873924
Wasilla, Alaska 99687
1-907-376-6931

DALE A. HILLMER
JOAN V. ANDERSON
P.O. Box 873924
Wasilla, AK 99687-3924

4-19-1999 1:33PM

FROM VFW, DEPT. OF ALASKA 9072786780

P. 1

SB151

Please do not support House Bill 200. I think it is completely unfair to try and balance the budget deficit on the backs of disabled veterans and elderly people.

SB151

House Bill 200 is a disgrace to individuals who have given so much for the freedom of this country. Their earning power is already diminished due to their disability and now you will penalize them more if House Bill 200 passes.

SB151

House Bill 200 needs to be deep sixed immediately. This would cause undue hardship to disabled veterans and elderly residences of this great state and cause many of them to have to relocate.

SB151

I request that you do not support House Bill 200. If passed, this bill would be devastating to our handicapped veterans and other elderly people.

John W. Minnick

STATE COMMANDER
VETERANS OF FOREIGN WARS
PO Box 870455
WASILLA AK 99687

April 19, 1999

State of Alaska
Representative Gail Phillips
Juneau, AK 99811

Dear Gail Phillips:

I do heartily disagree with HB 200 & SB 151. We are land owners and feel that if the State repeals the current state law that sets up the senior citizen property tax exemption of \$150,000 on our homes, the Borough as the taxing agent in our area will discontinue the exemption in the near future.

This exemption is one of the few benefits the seniors have in maintaining our own home and the seniors on fixed incomes will certainly feel the brunt of this action. Is this what is left for us now after putting in so much effort in building the State to what it is now? Why should we seniors carry the burden for others collecting state benefits such as welfare, medical and other give away programs. Over the years I have continued to see a decline of benefits to those people who take pride in doing for themselves and maintaining their homes for their retirement. If this bill goes through these seniors will have to sell or lose their homes to taxes and I don't think this is what you would like to see plus it would add to the financial burden of the State in the long run.

Sincerely,

Spencer Johnson

cc: John Torgenson
Harold Smalley
Gary Davis

April 19, 1999

State of Alaska
Representative Gail Phillips
Juneau, AK 99811

Dear Gail Phillips:

I do heartily disagree with **HB 200 & SB 151**. We are land owners and feel that if the State repeals the current state law that sets up the senior citizen property tax exemption of \$150,000 on our homes, the Borough as the taxing agent in our area will discontinue the exemption in the near future.

This exemption is one of the few benefits the seniors have in maintaining our own home and the seniors on fixed incomes will certainly feel the brunt of this action. Is this what is left for us now after putting in so much effort in building the State to what it is now? Why should we seniors carry the burden for others collecting state benefits such as welfare, medical and other give away programs. Over the years I have continued to see a decline of benefits to those people who take pride in doing for themselves and maintaining their homes for their retirement. If this bill goes through these seniors will have to sell or lose their homes to taxes and I don't think this is what you would like to see plus it would add to the financial burden of the State in the long run.

Sincerely,

James A. Kuk

cc: John Torgenson
Harold Smalley
Gary Davis

April 19, 1999

State of Alaska
Representative Gail Phillips
Juneau, AK 99811

Dear Gail Phillips:

I do heartily disagree with HB 200 & SB 151. We are land owners and feel that if the State repeals the current state law that sets up the senior citizen property tax exemption of \$150,000 on our homes, the Borough as the taxing agent in our area will discontinue the exemption in the near future.

This exemption is one of the few benefits the seniors have in maintaining our own home and the seniors on fixed incomes will certainly feel the brunt of this action. Is this what is left for us now after putting in so much effort in building the State to what it is now? Why should we seniors carry the burden for others collecting state benefits such as welfare, medical and other give away programs. Over the years I have continued to see a decline of benefits to those people who take pride in doing for themselves and maintaining their homes for their retirement. If this bill goes through these seniors will have to sell or lose their homes to taxes and I don't think this is what you would like to see plus it would add to the financial burden of the State in the long run.

Sincerely,

Joanna Odd

*Stop trying to take money
from senior citizens - CUT
THE LEGISLATURE EXPENSES
FIRST!*

cc: John Torgenson
Harold Smalley
Gary Davis

April 19, 1999

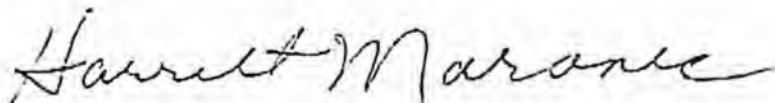
State of Alaska
Representative Gail Phillips
Juneau, AK 99811

Dear Gail Phillips:

I do heartily disagree with HB 200 & SB 151. We are land owners and feel that if the State repeals the current state law that sets up the senior citizen property tax exemption of \$150,000 on our homes, the Borough as the taxing agent in our area will discontinue the exemption in the near future.

This exemption is one of the few benefits the seniors have in maintaining our own home and the seniors on fixed incomes will certainly feel the brunt of this action. Is this what is left for us now after putting in so much effort in building the State to what it is now? Why should we seniors carry the burden for others collecting state benefits such as welfare, medical and other give away programs. Over the years I have continued to see a decline of benefits to those people who take pride in doing for themselves and maintaining their homes for their retirement. If this bill goes through these seniors will have to sell or lose their homes to taxes and I don't think this is what you would like to see plus it would add to the financial burden of the State in the long run.

Sincerely,



cc: John Torgenson
Harold Smalley
Gary Davis

April 19, 1999

State of Alaska
Representative Gail Phillips
Juneau, AK 99811

Dear Gail Phillips:

I do heartily disagree with HB 200 & SB 151. We are land owners and feel that if the State repeals the current state law that sets up the senior citizen property tax exemption of \$150,000 on our homes, the Borough as the taxing agent in our area will discontinue the exemption in the near future.

This exemption is one of the few benefits the seniors have in maintaining our own home and the seniors on fixed incomes will certainly feel the brunt of this action. Is this what is left for us now after putting in so much effort in building the State to what it is now? Why should we seniors carry the burden for others collecting state benefits such as welfare, medical and other give away programs. Over the years I have continued to see a decline of benefits to those people who take pride in doing for themselves and maintaining their homes for their retirement. If this bill goes through these seniors will have to sell or lose their homes to taxes and I don't think this is what you would like to see plus it would add to the financial burden of the State in the long run.

Sincerely,

Dwaleg Abbott
P.O. Box 1551
Soldotna AK 99669

cc: John Torgenson
Harold Smalley
Gary Davis

April 19, 1999

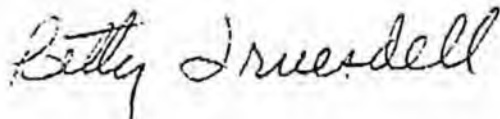
State of Alaska
Representative Gail Phillips
Juneau, AK 99811

Dear Gail Phillips:

I do heartily disagree with **HB 200 & SB 151**. We are land owners and feel that if the State repeals the current state law that sets up the senior citizen property tax exemption of \$150,000 on our homes, the Borough as the taxing agent in our area will discontinue the exemption in the near future.

This exemption is one of the few benefits the seniors have in maintaining our own home and the seniors on fixed incomes will certainly feel the brunt of this action. Is this what is left for us now after putting in so much effort in building the State to what it is now? Why should we seniors carry the burden for others collecting state benefits such as welfare, medical and other give away programs. Over the years I have continued to see a decline of benefits to those people who take pride in doing for themselves and maintaining their homes for their retirement. If this bill goes through these seniors will have to sell or lose their homes to taxes and I don't think this is what you would like to see plus it would add to the financial burden of the State in the long run.

Sincerely,



cc: John Torgenson
Harold Smalley
Gary Davis

April 19, 1999

State of Alaska
Representative Gail Phillips
Juneau, AK 99811

Dear Gail Phillips:

I do heartily disagree with **HB 200 & SB 151**. We are land owners and feel that if the State repeals the current state law that sets up the senior citizen property tax exemption of \$150,000 on our homes, the Borough as the taxing agent in our area will discontinue the exemption in the near future.

This exemption is one of the few benefits the seniors have in maintaining our own home and the seniors on fixed incomes will certainly feel the brunt of this action. Is this what is left for us now after putting in so much effort in building the State to what it is now? Why should we seniors carry the burden for others collecting state benefits such as welfare, medical and other give away programs. Over the years I have continued to see a decline of benefits to those people who take pride in doing for themselves and maintaining their homes for their retirement. If this bill goes through these seniors will have to sell or lose their homes to taxes and I don't think this is what you would like to see plus it would add to the financial burden of the State in the long run.

Sincerely,



cc: John Torgenson
Harold Smalley
Gary Davis

April 22, 1999

Senator Ferguson:

My husband and I are 70 plus years of age, and we have lived on the Kenai Peninsula for 38 years.

We understand our state is experiencing financial difficulties and one of the options in question are HB200 and SB151. In reading the information, these bills will eliminate or allow the elimination of the exemption status for senior citizens.

We are asking you to please look elsewhere for your money.

My husband and I have always been active in support of programs which have benefited our citizenry. Remember that 30-40 years ago jobs were seasonal and people could not build up a big retirement base.

We feel that this is very insulting to have worked and sacrificed as many others have done, to have the state increase our financial burden so very late in our lives.

Please Vote No on SB151

cc: Gail Phillips - Rep Kenai

Gary Davis - Rep Sitka

Harold Amelby - Rep Kenai

Vernard E. & Susan E. Jones

P.O. Box 39221

Ninilchik, Alaska 99639

Phone: 907-567-3653

SENATE FINANCE COMMITTEE

SIGN-IN

SB 151-MUNICIPAL PROPERTY TAX EXEMPTIONS

NAME: HANK HOVE Subject/Bill No: 151
Co./Dept./Title: MAYOR - FNSB Phone: 459 1300
Address: _____ Zip: _____
Do you wish to testify? Yes No Respond To Questions

NAME: DAVE VEAZEY Subject/Bill No: 151
Co./Dept./Title: ASSEMBLY MEMBER FNSB Phone: 455-4013
Address: _____ Zip: _____
Do you wish to testify? Yes No Respond To Questions

NAME: LIZ LUCAS Subject/Bill No: 151
Co./Dept./Title: AARP Phone: 789-9655
Address: 2880 Fritz Cove Rd, Juback Zip: 99801
Do you wish to testify? Yes No Respond To Questions

NAME: Gene Day Subject/Bill No: 151
Co./Dept./Title: AARP - DAY Phone: 586-3816
Address: 642 70995 Jim Zip: 99802
Do you wish to testify? Yes No Respond To Questions

NAME: Peggy MULLIGAN Subject/Bill No: 151

Co./Dept./Title: CETF/ARP Phone: 364-3144

Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions

NAME: Marie Davlin Subject/Bill No: 15-1

Co./Dept./Title: Narfe Phone: 586-3637

Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____

Co./Dept./Title: _____ Phone: _____

Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____

Co./Dept./Title: _____ Phone: _____

Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____

Co./Dept./Title: _____ Phone: _____

Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions

04/22/99
19:14:06

LEGISLATIVE TELECONFERENCE NETWORK SYSTEM
PARTICIPANT LIST (TESTIFIERS ONLY)
TCN:90623 SCHEDULED FOR:04/22/99 18:00 TO 21:00
PUBLIC HEARING SENATE FINANCE

LTN1150
BY:JNU
FOR:ALL

LOCATION:JUNEAU

ALL ITEMS	SEN	JOHN	TORGERSON	TESTIFY
ALL ITEMS	SEN	AL	ADAMS	TESTIFY
ALL ITEMS	SEN	PETE	KELLY	TESTIFY
ALL ITEMS	SEN	LYDA	GREEN	TESTIFY
ALL ITEMS	SEN	RANDY	PHILLIPS	TESTIFY
ALL ITEMS	SEN	SEAN	PARNELL	TESTIFY
ALL ITEMS	SEN	DAVE	DONLEY	TESTIFY
ALL ITEMS	SEN	LOREN	LEMAN	TESTIFY
ALL ITEMS	SEN	GARY	WILKEN	TESTIFY

LOCATION:KENAI LIO

SB 151	✓MR.	DALE	BONDURANT	SELF	TESTIFY
--------	------	------	-----------	------	---------

LOCATION:KETCHIKAN

SB 151	✓MR.	ED	ZASTROW	AARP	TESTIFY
SB 151	✓MR.	BOB	GORE	PION. OF AK	TESTIFY

SENATE FINANCE COMMITTEE

SIGN-IN

SB 151-MUNICIPAL PROPERTY TAX EXEMPTIONS

see you
@ pt.

NAME: Peggy MULLIGAN Subject/Bill No: SB151
HB200
 Co./Dept./Title: CCTF, AARP Phone: 364-3144
 Address: P.O. Box 240335 Douglas, AK Zip: 99824
 Do you wish to testify? Yes No Respond To Questions

NAME: GERALD J. DORSHER Subject/Bill No: SB-151
 Co./Dept./Title: Veterans of Foreign Wars Phone: 364-3346
 Address: P.O. Box 240003 DOUGLAS, AK Zip: 99824
 Do you wish to testify? Yes No Respond To Questions

NAME: Marie Darlin Subject/Bill No: SB-151
 Co./Dept./Title: Nurse Phone: 6-3637
 Address: 415 Willoughby #506 Zip: 99801
 Do you wish to testify? Yes No Respond To Questions

NAME: Juli Kraft Subject/Bill No: SB151
 Co./Dept./Title: Alaska Muni League Phone: 586 1325
 Address: 217 2nd Street Zip: 99804
 Do you wish to testify? Yes No Respond To Questions