

81

HCRA

HB 245

-

HB 404

07

STATE OF ALA KA
REVENUE

BUDGET PLANNING MODEL

HB 245

3-6-73

RUN ID RUN 106
DATE MARCH 6, 1973
COMMENTS

PIPELINE CONSTRUCTION BEGINS JULY 1, 1974 (FY 1975)
OIL FLOWS IN FY 1978
TAX PACKAGE INCLUDED
PROPERTY TAX INCLUDED (HOUSE BILL 245)

ASSUMPTIONS

- ANNUAL RATE OF INTEREST ON GENERAL FUND = 7.00%
- ANNUAL RATE OF INTEREST ON NEW BONDS = 6.00%
- MATURITY PERIOD ON NEW BONDS IN YEARS = 20.
- % OF CURRENT YR EXPEND. IN G.F. CASH BAL = 20.00%
- ANN OPER EXPEND GROWTH RATE AFTER 1ST YR = 5.00%

FISCAL YEAR	NON INVESTMENT REVENUE	INVESTMENT INTEREST	TOTAL REVENUE	OPERATING EXPENDITURE	DEBT SERVICE	MISC EXP SHD TAXES GF CAP EX	TOTAL EXPENDITURE	SURPLUS OR DEFICIT	GENERAL FUND END OF YEAR
1973									642638.0
1974	193905.0	46314.6	240219.6	318666.0	26441.0	1 193.0	357300.0	-117080.4	525557.6
1975	213202.0	35232.1	248434.1	334599.0	30000.0	1 821.0	377420.0	-128985.9	396571.6
1976	246582.0	24617.7	271199.7	351328.6	33200.0	15165.0	397693.6	-126493.9	270077.7
1977	271642.0	14581.5	286223.4	362894.6	40000.0	1 278.0	422172.6	-135949.1	134128.6
1978	423512.0	8883.2	432395.2	387339.1	45500.0	2 898.0	461737.1	-29341.9	104786.7
1979	602030.0	12270.2	614300.1	406705.6	52100.0	4 620.0	504425.6	109874.5	214661.2
1980	627968.0	20419.4	648387.4	427040.4	55300.0	4 6391.0	528731.4	119655.9	334317.1
1981	652931.0	28636.2	681567.2	448391.8	58200.0	4 8294.0	554885.8	126681.4	460993.6
1982	659367.0	36129.4	695496.4	470811.1	61600.0	4 250.0	580661.1	114835.3	575833.9
1983	671648.0	42319.9	713967.9	494351.1	66800.0	5 627.0	612778.1	101189.8	677023.6
	4562787.0	269403.9	4832188.0	4008125.0	469141.0	32 537.0	4797802.0	34385.6	

Min. balance

STATE OF ALASKA
REVENUE

BUDGET PLANNING MODEL

RUN ID RUN 107

DATE MARCH 6, 1973

COMMENTS

PIPELINE CONSTRUCTION BEGINS JULY 1, 1974 (FY 1975)
CIL FLOWS IN FY 1978
TAX PACKAGE INCLUDED
PROPERTY TAX INCLUDED (HOUSE BILL 245)

ASSUMPTIONS

ANNUAL RATE OF INTEREST ON GENERAL FUND = 7.00%
ANNUAL RATE OF INTEREST ON NEW BONDS = 6.00%
MATURITY PERIOD ON NEW BONDS IN YEARS = 20.
% OF CURRENT YR EXPEND. IN G.F. CASH BAL = 20.00%
ANN OPER EXPEND GROWTH RATE AFTER 1ST YR = 7.00%

FISCAL YEAR	NON INVESTMENT REVENUE	INVESTMENT INTEREST	TOTAL REVENUE	OPERATING EXPENDITURE	DEBT SERVICE	MISC EXP SHD TAXES GF CAP EX	TOTAL EXPENDITURE	SURPLUS OR DEFICIT	GENERAL FUND END OF YEAR
1973									642638.0
1974	193905.0	46314.6	240219.6	318066.0	26441.0	12193.0	357300.0	-117080.4	525557.6
1975	213202.0	35093.4	248295.4	340972.5	30000.0	17821.0	383793.5	-135498.1	390059.4
1976	246582.0	23867.9	270449.8	364840.2	33200.0	13165.0	411205.2	-140755.4	249304.1
1977	271642.0	12691.7	284333.6	390378.7	40000.0	1278.0	443656.7	-159323.1	89981.0
1978	423512.0	5263.5	428775.5	417704.8	45500.0	2898.0	492102.8	-63327.3	26653.7
1979	602030.0	6263.8	608293.8	446944.0	52100.0	4620.0	544664.0	63629.8	90283.4
1980	627968.0	11296.8	639264.8	478229.3	55300.0	46391.0	579920.3	59344.4	149627.9
1981	652931.0	15588.5	668519.4	511705.2	58200.0	48294.0	618199.2	50320.3	109948.1
1982	659367.0	18261.7	677628.7	547523.9	61600.0	46250.0	657373.9	20254.8	220202.9
1983	671648.0	18643.7	690291.6	585850.4	66800.0	5627.0	704277.4	-13985.8	206217.2
	4562787.0	193285.1	4756068.0	4402812.0	469141.0	32537.0	5192489.0	-436420.8	

new balance

STATE OF ALA. KA
REVENUE

HB 245

BUDGET PLANNING MODEL

3-7-73

17 copies

RUN ID RUN 114
DATE MARCH 7, 1973

COMMENTS
PIPELINE CONSTRUCTION BEGINS JULY 1, 1974 (FY 1975)
OIL FLOWS IN FY 1978
TAX PACKAGE INCLUDED
PROPERTY TAX INCLUDED (HOUSE BILL 245)
RIGHT-OF-WAY LEASING 4%

ASSUMPTIONS
ANNUAL RATE OF INTEREST ON GENERAL FUND = 7.00%
ANNUAL RATE OF INTEREST ON NEW BONDS = 6.00%
MATURITY PERIOD ON NEW BONDS IN YEARS = 20.
% OF CURRENT YR EXPEND. IN G.F. CASH BAL = 20.00%
ANN OPER EXPEND GROWTH RATE AFTER 1ST YR = 5.00%

FISCAL YEAR	NON INVESTMENT REVENUE	INVESTMENT INTEREST	TOTAL REVENUE	OPERATING EXPENDITURE	DEBT SERVICE	MISC EXP SHD TAXES OF CAP EX	TOTAL EXPENDITURE	SURPLUS OR DEFICIT	GENERAL FUND END OF YEAR
1973									642630.0
1974	193905.0	46314.6	240219.6	318666.0	26441.0	1193.0	357300.0	-117080.4	525557.6
1975	213202.0	35232.1	248434.1	334599.0	30000.0	1321.0	377420.0	-128985.9	396571.6
1976	240582.0	24617.7	271199.7	351328.6	33200.0	1165.0	397693.6	-126493.9	270077.7
1977	271642.0	14581.5	286223.4	368894.6	40000.0	1175.0	422172.6	-135949.1	134128.6
1978	425590.0	8958.6	434548.6	387339.1	45500.0	2198.0	461737.1	-27188.5	106940.1
1979	604108.0	12496.3	616604.3	406705.6	52100.0	4520.0	504425.6	112178.6	219118.7
1980	630046.0	20796.3	650842.3	42710.4	55300.0	6391.0	528731.4	122110.8	341229.5
1981	655009.0	29163.8	684172.8	448391.8	58200.0	4194.0	554885.8	129287.0	470516.5
1982	661445.0	36807.7	698252.7	470811.1	61600.0	4150.0	580661.1	117591.6	588108.1
1983	673726.0	43148.9	716874.9	494351.1	6680	51127.0	612778.1	104096.8	692204.9
	4575255.0	272117.1	4847369.0	4008125.0	469141.0	320137.0	4797802.0	49566.9	

STATE OF ALASKA
REVENUE

BUDGET PLANNING MODEL

RUN ID RUN 115

DATE MARCH 7, 1973

COMMENTS

PIPELINE CONSTRUCTION BEGINS JULY 1, 1974 (FY 1975)
OIL FLOWS IN FY 1978
TAX PACKAGE INCLUDED
PROPERTY TAX INCLUDED (HOUSE BILL 245)
RIGHT-OF-WAY LEASING 4%

ASSUMPTIONS

ANNUAL RATE OF INTEREST ON GENERAL FUND = 7.00%
ANNUAL RATE OF INTEREST ON NEW BONDS = 6.00%
MATURITY PERIOD ON NEW BONDS IN YEARS = 20.
% OF CURRENT YR EXPEND. IN G.F. CASH BAL = 20.00%
ANN OPER EXPEND GROWTH RATE AFTER 1ST YR = 7.00%

FISCAL YEAR	NON INVESTMENT REVENUE	INVESTMENT INTEREST	TOTAL REVENUE	OPERATING EXPENDITURE	DEBT SERVICE	MISC EXP SHD TAXES GF CAP EX	TOTAL EXPENDITURE	SURPLUS OR DEFICIT	GENERAL FUND END OF YEAR
1973									642038.0
1974	193905.0	46314.6	240219.6	318666.0	26441.0	1 193.0	357300.0	-117080.4	525557.6
1975	213202.0	35093.4	248295.4	340972.5	30000.0	1 821.0	383793.5	-135498.1	390059.4
1976	246582.0	23867.9	270449.8	364840.2	33200.0	1 165.0	411205.2	-140755.4	249304.1
1977	271642.0	12691.7	284333.6	390378.7	40000.0	1 278.0	443656.7	-159323.1	89981.0
1978	425590.0	5338.9	430928.9	417704.8	45500.0	2 898.0	492102.8	-61173.9	28807.1
1979	604108.0	6489.9	610597.9	446944.0	52100.0	4 620.0	544664.0	65933.9	94740.9
1980	630046.0	11673.6	641719.6	478229.3	55300.0	4 6391.0	579920.3	61799.3	156540.2
1981	655009.0	16116.1	671125.1	511705.2	58200.0	4 294.0	618199.2	52925.9	209466.1
1982	661445.0	18940.0	680385.0	547523.9	61600.0	4 250.0	657373.9	23011.1	232477.2
1983	673726.0	19472.7	693198.7	585850.4	60800.0	5 627.0	704277.4	-11078.7	221398.5
	4575255.0	195998.4	4771251.0	4402812.0	469141.0	32 537.0	5192489.0	-421239.5	

STATE OF ALABAMA
REVENUE

BUDGET PLANNING MODEL

RUN ID RUN-116

DATE MARCH 7, 1973

COMMENTS

PIPELINE CONSTRUCTION BEGINS JULY 1, 1974 (FY 1975)
OIL FLOWS IN FY 1978
TAX PACKAGE INCLUDED
PROPERTY TAX INCLUDED (HOUSE BILL 245)
RIGHT-OF-WAY LEASING 7%

ASSUMPTIONS

ANNUAL RATE OF INTEREST ON GENERAL FUND = 7.00%
ANNUAL RATE OF INTEREST ON NEW BONDS = 6.00%
MATURITY PERIOD ON NEW BONDS IN YEARS = 20.
% OF CURRENT YR EXPEND. IN G.F. CASH BAL = 20.00%
ANN OPER EXPEND GROWTH RATE AFTER 1ST YR = 5.00%

FISCAL YEAR	NON INVESTMENT REVENUE	INVESTMENT INTEREST	TOTAL REVENUE	OPERATING EXPENDITURE	DEBT SERVICE	MISC EXP SHD TAXES GF CAP EX	TOTAL EXPENDITURE	SURPLUS OR DEFICIT	GENERAL FUND END OF YEAR
1973									642638.0
1974	193905.0	46314.6	240219.6	318666.0	26441.0	1 193.0	357300.0	-117080.4	525557.6
1975	213202.0	35232.1	248434.1	334599.0	30000.0	1 821.0	377420.0	-128985.9	396571.6
1976	24652.0	24617.7	271199.7	351328.6	33200.0	1 165.0	397693.6	-126493.9	270077.7
1977	271642.0	14581.5	286223.4	368894.6	40000.0	1 278.0	422172.6	-135949.1	134128.6
1978	448617.0	9793.8	458410.8	387339.1	45500.0	2 898.0	461737.1	-3326.3	130802.3
1979	628104.0	15036.9	643140.9	406705.6	52100.0	4 502.0	504425.6	138715.3	269517.6
1980	655635.0	25113.6	680748.6	427040.4	55300.0	4 639.0	528731.4	151417.1	420934.7
1981	681014.0	35330.6	716344.6	448391.8	58200.0	4 294.0	554885.8	161458.8	582393.5
1982	688488.0	44898.6	733386.5	470811.1	61600.0	4 250.0	580661.1	152725.4	735118.9
1983	701830.0	53239.9	755069.9	494351.1	66800.0	5 627.0	612778.1	142291.8	877410.7
	4728419.0	304158.9	5032574.0	4008125.0	469141.0	32 537.0	4797802.0	234772.7	

STATE OF ALASKA
REVENUE

BUDGET PLANNING MODEL

RUN ID RUN 117
DATE MARCH 7, 1973

COMMENTS
PIPELINE CONSTRUCTION BEGINS JULY 1, 1974 (FY 1975)
OIL FLOWS IN FY 1978
TAX PACKAGE INCLUDED
PROPERTY TAX INCLUDED (HOUSE BILL 245)
RIGHT-OF-WAY LEASING 7%

ASSUMPTIONS

ANNUAL RATE OF INTEREST ON GENERAL FUND = 7.00%
ANNUAL RATE OF INTEREST ON NEW BONDS = 6.00%
MATURITY PERIOD ON NEW BONDS IN YEARS = 20.
% OF CURRENT YR EXPEND. IN G.F. CASH BAL = 20.00%
ANN OPER EXPEND GROWTH RATE AFTER 1ST YR = 7.00%

FISCAL YEAR	NON INVESTMENT REVENUE	INVESTMENT INTEREST	TOTAL REVENUE	OPERATING EXPENDITURE	DEBT SERVICE	MISC EXP SHD TAXES GF CAP EX	TOTAL EXPENDITURE	SURPLUS OR DEFICIT	GENERAL FUND END OF YEAR
1973									642638.0
1974	193905.0	46314.6	240219.6	318666.0	26441.0	12193.0	357300.0	-117080.4	525557.6
1975	213202.0	35093.4	248295.4	340972.5	30000.0	12821.0	383793.5	-135498.1	390059.4
1976	246582.0	23867.9	270449.8	384840.2	33200.0	13165.0	411205.2	-140755.4	249304.1
1977	271642.0	12691.7	284333.6	390378.7	40000.0	13278.0	443656.7	-159323.1	89981.0
1978	448617.0	6174.1	454791.1	417704.8	45500.0	28898.0	492102.8	-37311.8	52669.3
1979	628104.0	9030.6	637134.6	446944.0	52100.0	45620.0	544664.0	92470.6	145139.8
1980	655035.0	15990.9	671025.9	478229.3	55300.0	46391.0	579920.3	91105.6	236245.4
1981	681014.0	22282.9	703296.9	511705.2	58200.0	41294.0	618199.2	85097.7	321343.1
1982	688488.0	27930.9	715518.9	547523.9	61600.0	41250.0	657373.9	58145.0	379488.1
1983	701830.0	29563.7	731393.7	585850.4	66800.0	51627.0	704277.4	27116.3	406604.4
	4728419.0	228040.4	4956455.0	4402812.0	469141.0	329537.0	5192489.0	-236033.6	

The Legislature of the State of Alaska
 FISCAL NOTE
 First Session - Eighth Legislature

I. REQUEST

Bill Identification: HB 245 and CS
 Title: Oil and Gas Trans Property Tax - Administration
 Requested by: Legislative Finance Date: March 15, 1973
 Return Date Requested: March 22, 1973
 Agency: Revenue Program: Fiscal Services

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Fiscal Services

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 73	FY 74	FY 75	FY 76	FY 77	FY 78
100 PERSONAL SERVICES		490.0	517.0	545.4	575.4	607.0
200 TRAVEL		90.0	95.0	100.2	105.7	111.5
300 CONTRACTUAL		100.0	105.5	111.3	117.4	123.9
400 COMMODITIES		8.0	8.4	8.9	9.4	9.9
500 EQUIPMENT		20.5				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		708.5	725.9	765.8	807.9	852.3

B. FUNDING: (Thousands of dollars)

GENERAL FUND		708.5	725.9	765.8	807.9	852.3
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	/	28/	28/	28/	28/	28/
MAN MONTHS (P./T.)	/	336/	336/	336/	336/	336/

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

See memorandum dated March 21, 1973 from F. P. Boetsch,
 Director of Audit.

IV. ATTACHMENTS

V. DATE: 3.22.73 PREPARED BY: R.S. [Signature]
 Commissioner of Revenue

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

STATE
of ALASKA

MEMORANDUM

TO: R. D. Stevenson
Commissioner

DATE : March 21, 1973

FROM: Fred Boetsch
Director of Audit *FB*

SUBJECT: HB 245 and CSHB 245

Basically, both the original bill and the Committee Substitute provide for an annual tax to be imposed by the State in the amount of 20 mills on all property used in the production and transportation of unrefined oil and gas. This would include, but not be limited to, existing facilities in the Kenai-Cook Inlet area, existing and proposed facilities in the North Slope area, the Trans-Alaska Pipeline System, and all related facilities including the tanker terminal at Valdez.

We note the differences between the two bills below:

1. The original bill would start the levy of the tax on all property on January 1, 1974. The Committee Substitute would start the tax at the same time except for the Trans-Alaska Pipeline System and wells on the North Slope. With respect to the TAPS line, the tax would not start until the appropriate federal agency acquired legal authority to issue necessary permits to commence construction of the line and with respect to production equipment the tax would not be imposed until the well is producing.

2. The original bill provides that local governments in which the facility is located may levy a tax not to exceed 20 mills on not more than 25 percent of the value of property located in their jurisdiction which is subject to the tax under the bill. In effect, this would allow the local governments to tax the value of facilities located in their area up to five mills. The Committee Substitute, on the other hand, allows local governments to impose a tax of up to seven mills on the same property. Such local taxes would be in lieu of the statewide tax. In effect, then, there would be a revenue sharing back to the local governments to the extent of either five mills in the case of the original bill, or seven mills in the case of the Committee Substitute.

3. The original bill provides that the taxes are payable to the Department of Revenue by September 30 of the tax year whereas the Committee Substitute provides that payment shall be made by June 30 of the tax year.

4. The original bill provides that the rental formulas for pipeline right-of-way under AS 38.35.140 as they presently stand are repealed and another method substituted. The Committee Substitute does not provide for the repealer of existing right-of-way leasing formulas.

I am attaching four different projections. One projection indicates the property tax revenues that could be expected under House Bill 245 as originally written, and is so labeled. This indicates the five-mill sharing back to local governments. The projection labeled "Revenues from State Right-of-Way Leasing Act" indicates the losses which could be expected from passage of the original bill due to elimination of the formulas. The two projections for the Committee Substitute are labeled Case A and Case B. Case A provides the projection in case permit granting authority is received prior to January 1 of 1974 in which case the pipe on hand would be subject to the tax on January 1, 1974. Case B assumes that permit granting authority is not received until after January 1, 1974 in which case none of the pipe would be subject to the tax. All cases assume that construction starts on July 1 of 1974 and production starts on July 1 of 1977 with respect to the North Slope activity. Basically, these projections indicate very substantial tax revenues in the first year of construction, rising very rapidly after that, and then levelling off in 1978-79 with slow growth thereafter due to the addition of new producing wells on the North Slope.

I am also attaching a Fiscal Note which indicates the cost of administering either bill since the fundamental problem is the assessment of the values of property during the construction phase and subsequent thereto. Due to the magnitude of the projected revenues and their importance to the funding of State government, I have tentatively accorded this function the status of Division-level operation within the Department of Revenue. I propose that this be known as the Property Tax Division. It is important that we recognize the magnitude of the project under consideration. We are talking about an ultimate assessed valuation of close to \$6 billion which is more than double the assessed valuation of the State of Alaska at the present time (approximately \$2.7 billion). I have divided the Property Tax Division into two sections: Audit and Engineering. The Audit Section is necessary to review the records of construction firms and oil companies involved in the projects in order to ascertain cost measures. The engineers are necessary to determine percentage of completion of the facility in accordance with the formula provided for in the bills and to analyze the design of various facilities in order to determine their usage as oil and gas transportation facilities and, in the case of wells, to determine the extent of intangible drilling costs. We have also provided for the necessary accounting and clerical staff to support both engineers and auditors. The total costs projected are very nominal in relation to the total potential revenues from this tax. Due to the rapid climb in revenues in relation to rather slow growth in expenses, the expense to revenue relationship decreases very rapidly once construction commences. It is important, however, that the valuation job be done by competent professionals in both the audit and engineering fields since we are dealing with such a large magnitude project. A relatively small error in determining percentage of completion or in analyzing costs could result in a large difference in the amount of tax collected and in the value of property subject to tax by

local governments under those provisions of the bill.

There are no administrative problems with either version of the bill from the viewpoint of the Department of Revenue other than the fact that we will be unable to enforce either bill without funding in accordance with the Fiscal Note recommendation. We simply do not at the present time have any staff capable of doing a proper job of assessment on these projects. Therefore, it is imperative that the Division of Property Taxes be funded if either bill is passed so that we can be in a position to protect State revenues from this vital source.

FPB:mbc
Enc.

cc: L. C. Eppenbach,
Deputy Commissioner of Treasury

HOUSE BILL 245
 20 Mill Property Tax on Pipeline and Production Facilities
 Projection of Ad Valorem Tax Revenues
 (\$000 Omitted)

	<u>FY 74</u>	<u>FY 75</u>	<u>FY 76</u>	<u>FY 77</u>	<u>FY 78</u>	<u>FY 79</u>	<u>FY 80</u>	<u>FY 81</u>	<u>FY 82</u>	<u>FY 83</u>
Tax on TAPS Pipeline	\$ 4,574.0	\$22,055.9	\$40,853.1	\$59,947.1	\$69,211.1	\$70,000.0	\$70,000.0	\$70,000.0	\$70,000.0	\$70,000.0
Tax on Other Pipeline & Production Facilities	<u>\$11,980.0</u>	<u>\$13,020.0</u>	<u>\$15,420.0</u>	<u>\$17,860.0</u>	<u>\$21,840.0</u>	<u>\$22,740.0</u>	<u>\$23,540.0</u>	<u>\$24,140.0</u>	<u>\$24,480.0</u>	<u>\$24,620.0</u>
Total Gross Tax Collections	\$16,554.0	\$35,075.9	\$56,273.1	\$77,807.6	\$91,051.1	\$92,740.0	\$93,540.0	\$94,140.0	\$94,480.0	\$94,620.0
Less:										
Shared to Local Governments (see below)	<u>3,690.8</u>	<u>5,322.2</u>	<u>7,683.9</u>	<u>10,083.5</u>	<u>11,946.6</u>	<u>12,245.5</u>	<u>12,445.5</u>	<u>12,595.5</u>	<u>12,680.5</u>	<u>12,715.5</u>
Net Revenue to State Treasury	<u>\$12,863.2</u>	<u>\$29,753.7</u>	<u>\$48,589.2</u>	<u>\$67,724.1</u>	<u>\$79,104.5</u>	<u>\$80,494.5</u>	<u>\$81,094.5</u>	<u>\$81,544.5</u>	<u>\$81,799.5</u>	<u>\$81,904.5</u>
Local Governments' Share of Property Tax:										
North Slope Borough	\$ 902.8	\$ 1,928.3	\$ 3,311.0	\$ 4,716.0	\$ 6,096.7	\$ 6,354.5	\$ 6,554.5	\$ 6,704.5	\$ 6,789.5	\$ 6,824.5
North Star Borough	203.5	334.5	619.5	909.1	1,049.4	1,061.5	1,061.5	1,061.5	1,061.5	1,061.5
City of Valdez	339.5	814.4	1,508.4	2,213.4	2,555.4	2,584.5	2,584.5	2,584.5	2,584.5	2,584.5
Kenai Borough	<u>2,245.0</u>	<u>2,245.0</u>	<u>2,245.0</u>	<u>2,245.0</u>	<u>2,245.0</u>	<u>2,245.0</u>	<u>2,245.0</u>	<u>2,245.0</u>	<u>2,245.0</u>	<u>2,245.0</u>
Total Shared Revenue	<u>\$ 3,690.8</u>	<u>\$ 5,322.2</u>	<u>\$ 7,683.9</u>	<u>\$10,083.5</u>	<u>\$11,946.6</u>	<u>\$12,245.5</u>	<u>\$12,445.5</u>	<u>\$12,595.5</u>	<u>\$12,680.5</u>	<u>\$12,715.5</u>

Assumptions:

1. Construction starts July 1, 1974
2. Production starts July 1, 1977

Revenues from State
Right-of-Way Leasing Act
(Millions of Dollars)

	Year of TAPS Pipeline Operation				Average 35 Years
	<u>1st</u>	<u>5th</u>	<u>10th</u>	<u>20th</u>	
At 4% ICC Return	2.1	2.1	4.5	21.5	15.4
At 5% ICC Return	3.4	6.2	13.7	30.1	22.7
At 7% ICC Return	25.1	29.1	44.6	47.1	40.6

At a 4% ICC rate of return North Slope oil corporations will maximize their total profits. This ICC return rate and the concurrent revenues to the State are the most likely case.

Committee Substitute for HOUSE BILL 245 (Case A)
 20 Mill Property Tax on Pipeline and Production Facilities
 Projection of Ad Valorem Tax Revenues
 (\$000 Omitted)

	<u>FY 74</u>	<u>FY 75</u>	<u>FY 76</u>	<u>FY 77</u>	<u>FY 78</u>	<u>FY 79</u>	<u>FY 80</u>	<u>FY 81</u>	<u>FY 82</u>	<u>FY 83</u>
Tax on TAPS Pipeline	\$ 4,574.0	\$22,055.9	\$40,853.1	\$59,947.6	\$69,211.1	\$70,000.0	\$70,000.0	\$70,000.0	\$70,000.0	\$70,000.0
Tax on Other Pipeline & Production Facilities	<u>11,980.0</u>	<u>13,020.0</u>	<u>15,420.0</u>	<u>17,860.0</u>	<u>21,840.0</u>	<u>22,740.0</u>	<u>23,540.0</u>	<u>24,140.0</u>	<u>24,480.0</u>	<u>24,620.0</u>
Total Gross Tax Collections	\$16,554.0	\$35,075.9	\$56,273.1	\$77,807.6	\$91,051.1	\$92,740.0	\$93,540.0	\$94,140.0	\$94,480.0	\$94,620.0
Less:										
Shared to Local Governments (see below)	<u>\$ 5,167.1</u>	<u>\$ 7,451.4</u>	<u>\$10,757.4</u>	<u>\$14,116.8</u>	<u>\$16,725.2</u>	<u>\$17,143.7</u>	<u>\$17,423.7</u>	<u>\$17,633.7</u>	<u>\$17,752.7</u>	<u>\$17,801.7</u>
Net Revenue to State Treasury	<u>\$11,386.9</u>	<u>\$27,624.5</u>	<u>\$45,515.7</u>	<u>\$63,690.8</u>	<u>\$74,325.9</u>	<u>\$75,596.9</u>	<u>\$76,116.3</u>	<u>\$76,506.3</u>	<u>\$76,727.3</u>	<u>\$76,818.3</u>
Local Governments' Share of Property Tax:										
North Slope Borough	\$ 1,263.9	\$ 2,700.0	\$ 4,635.4	\$ 6,602.4	\$ 8,535.4	\$ 8,896.3	\$ 9,176.3	\$ 9,386.3	\$ 9,505.3	\$ 9,554.3
North Star Borough	284.9	468.3	867.3	1,272.7	1,469.3	1,485.1	1,486.1	1,486.1	1,486.1	1,486.1
City of Valdez	475.3	1,140.1	2,111.7	3,098.7	3,577.5	3,618.3	3,618.3	3,618.3	3,618.3	3,618.3
Kenai Borough	<u>3,143.0</u>	<u>3,143.0</u>	<u>3,143.0</u>	<u>3,143.0</u>	<u>3,143.0</u>	<u>3,143.0</u>	<u>3,143.0</u>	<u>3,143.0</u>	<u>3,143.0</u>	<u>3,143.0</u>
Total Shared Revenue	<u>\$ 5,167.1</u>	<u>\$ 7,451.4</u>	<u>\$10,757.4</u>	<u>\$14,116.8</u>	<u>\$16,725.2</u>	<u>\$17,143.7</u>	<u>\$17,423.7</u>	<u>\$17,633.7</u>	<u>\$17,752.7</u>	<u>\$17,801.7</u>

Assumptions:

1. Permit granting authority received prior to January 1, 1974
2. Construction starts July 1, 1974
3. Production starts July 1, 1977

Committee Substitute for HOUSE BILL 245 (Case B)
 20 Mill Property Tax on Pipeline and Production Facilities
 Projection of Ad Valorem Tax Revenues
 (\$000 Omitted)

	<u>FY 74</u>	<u>FY 75</u>	<u>FY 76</u>	<u>FY 77</u>	<u>FY 78</u>	<u>FY 79</u>	<u>FY 80</u>	<u>FY 81</u>	<u>FY 82</u>	<u>FY 83</u>
Tax on TAPS Pipeline	\$ -0-	\$22,055.9	\$40,853.1	\$59,947.6	\$69,211.1	\$70,000.0	\$70,000.0	\$70,000.0	\$70,000.0	\$70,000.0
Tax on Other Pipeline & Production Facilities	<u>11,980.0</u>	<u>13,020.0</u>	<u>15,420.0</u>	<u>17,860.0</u>	<u>21,840.0</u>	<u>22,740.0</u>	<u>23,540.0</u>	<u>24,140.0</u>	<u>24,480.0</u>	<u>24,620.0</u>
Total Gross Tax Collections	\$11,980.0	\$35,075.9	\$56,273.1	\$77,807.6	\$91,051.1	\$92,740.0	\$93,540.0	\$94,140.0	\$94,480.0	\$94,620.0
Less:										
Shared to Local Governments (see below)	<u>4,193.0</u>	<u>7,451.4</u>	<u>10,757.4</u>	<u>14,116.8</u>	<u>16,725.2</u>	<u>17,143.7</u>	<u>17,423.7</u>	<u>17,633.7</u>	<u>17,752.7</u>	<u>17,801.7</u>
Net Revenue to State Treasury	<u>\$7,787.0</u>	<u>\$27,624.5</u>	<u>\$45,515.7</u>	<u>\$63,690.8</u>	<u>\$74,325.9</u>	<u>\$75,596.9</u>	<u>\$76,116.3</u>	<u>\$76,506.3</u>	<u>\$76,727.3</u>	<u>\$76,818.3</u>
Local Governments' Share of Property Tax:										
North Slope Borough	\$ 1,050.0	\$ 2,700.0	\$ 4,635.4	\$ 6,602.4	\$ 8,535.4	\$ 8,896.3	\$ 9,176.3	\$ 9,386.3	\$ 9,505.3	\$ 9,554.3
North Star Borough	-0-	468.3	867.3	1,272.7	1,469.3	1,486.1	1,486.1	1,486.1	1,486.1	1,486.1
City of Valdez	-0-	1,140.1	2,111.7	3,098.7	3,577.5	3,618.3	3,618.3	3,618.3	3,618.3	3,618.3
Kenai Borough	<u>3,143.0</u>	<u>3,143.0</u>	<u>3,143.0</u>	<u>3,143.0</u>	<u>3,143.0</u>	<u>3,143.0</u>	<u>3,143.0</u>	<u>3,143.0</u>	<u>3,143.0</u>	<u>3,143.0</u>
Total Shared Revenue	<u>\$ 4,193.0</u>	<u>\$ 7,451.4</u>	<u>\$10,757.4</u>	<u>\$14,116.8</u>	<u>\$16,725.2</u>	<u>\$17,143.7</u>	<u>\$17,423.7</u>	<u>\$17,633.7</u>	<u>\$17,752.7</u>	<u>\$17,801.7</u>

Assumptions:

1. Permit granting authority received subsequent to January 1, 1974, but before July 1, 1974
2. Construction starts July 1, 1974
3. Production starts July 1, 1977

Proposed Amendments to HB 245

Page 1,

lines 6-7, delete and substitute, For an Act entitled:

"An Act providing for a state tax on property used in transportation and production of unrefined oil and gas; and providing for an effective date."

line 13, ...personal property actually used or designed or intended for use [EMPLOYED] in the...

line 14, ...unrefined oil and gas. With respect to the facility known as the transalaska pipeline, the tax does not apply until the appropriate federal agency acquires legal authority to issue the permits necessary to begin construction of that facility. The tax for the year in which the authority is acquired shall be pro-rated from the time of acquisition.

line 24, ...assessment date according to the percentage of completion method.

lines 25-26, ... not to exceed 7 mills on [20 MILLS ON NOT MORE THAN 25% OF] the full and true value ,as determined in accordance with sections 40-70 of this chapter, of taxable real...

Page 2

line 8, section 20, add a new paragraph to read:

(3) production machinery, appliances, and equipment used in and around a well, until the well is producing oil or gas, at which time the exemption terminates.

Page 3

line 2, ... June 30 [SEPTEMBER 30]...

line 29 ... regulations in accordance with AS 44.62. as...

Page 4

lines 3-5, delete.

*Sec 2, delete.

STATE OF ALASKA
REVENUE

BUDGET PLANNING MODEL

HB 245

RUN ID RUN 26

DATE FEBRUARY 8, 1973

COMMENTS

PIPELINE CONSTRUCTION BEGINS IN FY 1975
OIL FLOWS IN FY 1978
RIGHT-OF-WAY LEASING 4%
TAX PACKAGE INCLUDED

3-6-73

ASSUMPTIONS

ANNUAL RATE OF INTEREST ON GENERAL FUND = 7.00%

ANNUAL RATE OF INTEREST ON NEW BONDS = 6.00%

MATURITY PERIOD ON NEW BONDS IN YEARS = 20.

% OF CURRENT YR EXPEND. IN GEN. CASH BAL = 20.00%

ANN OPER EXPEND GROWTH RATE AFTER 1ST YR = 5.00%

FISCAL YEAR	NON INVESTMENT REVENUE	INVESTMENT INTEREST	TOTAL REVENUE	OPERATING EXPENDITURE	DEBT SERVICE	MISC EXP SHD TAXES OF CAP EX	TOTAL EXPENDITURE	SURPLUS OR DEFICIT	GENERAL FUND END OF YEAR
1973									642638.0
1974	181847.0	45877.2	227724.2	318666.0	26441.0	2193.0	357300.0	-129575.8	513062.2
1975	182511.0	33244.3	215755.3	334599.0	30000.0	2821.0	377420.0	-161664.9	351397.4
1976	195180.0	19652.5	214832.4	351328.6	33200.0	3165.0	397693.6	-182861.2	168536.3
1977	201058.0	5191.8	206249.8	368894.6	40000.0	3278.0	422172.6	-215922.8	-47386.6
1978	342023.0	-6022.0	336000.9	387339.1	45500.0	3898.0	461737.1	-125736.1	-173122.7
1979	517876.0	-8642.8	509233.1	406705.6	52100.0	15620.0	504425.6	4807.5	-168315.2
1980	541939.0	-6666.0	535272.9	427040.4	55300.0	46391.0	528731.4	6541.5	-161773.7
1981	565499.0	-4740.6	560758.4	448391.8	58200.0	48794.0	554885.8	5872.6	-155901.1
1982	571140.0	-3618.4	567521.6	470811.1	61600.0	48250.0	580661.1	-13139.5	-169040.6
1983	583091.0	-3839.8	579251.2	494351.1	66800.0	51627.0	612778.1	-33526.9	-202567.5
	3882164.0	70435.8	3952597.0	4008125.0	469141.0	320537.0	4797802.0	-845205.5	

STATE OF ALASKA
REVENUE

BUDGET PLANNING MODEL

*How's
HB 59*

RUN ID RUN 40

DATE FEBRUARY 8, 1973

COMMENTS

PIPELINE CONSTRUCTION BEGINS IN FY 1975
OIL FLOWS IN FY 1978
RIGHT-OF-WAY LEASING 4%
TAX PACKAGE INCLUDED
PROPERTY TAX INCLUDED

ASSUMPTIONS

ANNUAL RATE OF INTEREST ON GENERAL FUND = 7.00%

ANNUAL RATE OF INTEREST ON NEW BONDS = 6.00%

MATURITY PERIOD ON NEW BONDS IN YEARS = 20.

% OF CURRENT YR EXPEND. IN G.F. CASH BAL = 20.00%

ANN OPER EXPEND GROWTH RATE AFTER 1ST YR = 5.00%

FISCAL YEAR	NON INVESTMENT REVENUE	INVESTMENT INTEREST	TOTAL REVENUE	OPERATING EXPENDITURE	DEBT SERVICE	MISC EXP SHD TAXES GF C/ P EX	TOTAL EXPENDITURE	SURPLUS OR DEFICIT	GENERAL FUND END OF YEAR
1973									642638.0
1974	185864.0	46022.9	231886.9	318666.0	26441.0	12133.0	357300.0	-125413.1	517224.9
1975	202913.0	34275.6	237188.6	334599.0	30000.0	12121.0	377420.0	-140231.4	376993.4
1976	232959.0	22794.0	255753.0	351328.6	33200.0	13155.0	397093.6	-141940.6	235052.8
1977	256511.0	11714.8	268225.8	368894.6	40000.0	13178.0	422172.6	-153946.8	81106.1
1978	406045.0	4834.3	410879.3	387339.1	45500.0	28138.0	461737.1	-50857.8	30248.3
1979	582628.0	6884.0	589512.0	406705.6	52100.0	45629.0	504425.6	85086.4	115334.6
1980	606691.0	13557.	620248.8	427040.4	55300.0	46391.0	528731.4	91517.4	206852.0
1981	630251.0	20180.3	650431.3	448391.8	58200.0	48294.0	554885.8	95545.6	302397.6
1982	635892.0	25999.5	661891.5	470811.1	61600.0	48250.0	580661.1	81230.4	383628.0
1983	647843.0	30475.2	678318.2	494351.1	66800.0	51127.0	612778.1	65540.1	449168.1
	4387597.0	216738.4	4604333.0	4008125.0	469141.0	320537.0	4797802.0	-193469.9	

HB 245

Revenues from State
Right-of-Way Leasing Act

in Thousands of dollars

	<u>F.Y.</u> <u>1978</u>	<u>F.Y.</u> <u>1979</u>	<u>F.Y.</u> <u>1980</u>	<u>F.Y.</u> <u>1981</u>	<u>F.Y.</u> <u>1982</u>	<u>F.Y.</u> <u>1983</u>	<u>F.Y.</u> <u>1990</u>	<u>F.Y.</u> <u>2000</u>	<u>Average</u>
At 4% ICC Return	\$ 2,078	\$ 2,078	\$ 2,078	\$ 2,078	\$ 2,078	\$ 2,078	\$ 8,721	\$27,140	\$15,436
at 5% ICC Return	3,455	4,121	4,796	5,479	6,169	7,548	18,546	35,168	22,699
At 7% ICC Return	25,105	26,074	27,067	28,083	29,121	30,182	38,196	51,223	40,580

COMMITTEE REPORT

HOUSE

Mr. Speaker:

Date 3-14-93

The Committee on Commerce has had HB 245

under consideration. A Majority of the members of the Committee

- recommends it DO PASS
- recommends it DO NOT PASS
- recommends it DO PASS WITH ATTACHED AMENDMENT(S)
- recommends it BE REPLACED WITH CS FOR HB 245 AND THAT
CS FOR HB 245 DO PASS
- "and" recommends it BE REFERRED TO THE _____
COMMITTEE
- reports it back WITHOUT RECOMMENDATION
- "other"

Members signing the Majority report:

Members NOT concurring in the Majority report:

_____ recommends: _____
 _____ recommends: _____
 _____ recommends: _____
 _____ recommends: _____
 _____ recommends: _____

Richard L. ... Chairman

PROPOSED AMENDMENT, HB-245

Page one, line 21

Sec 010:

Subsection (a)

line 21: delete: "and other facilities"

line 24: add: "The tax imposed by this subsection shall not be applied on production facilities until such facilities are actually employed in the production of oil and gas."

Proposed Amendments to HB 245

Page 1,

lines 6-7, delete and substitute, For an Act entitled:

"An Act providing for a state tax on property used in transportation and production of unrefined oil and gas; and providing for an effective date."

2 line 13, ...personal property actually used or designed or intended for use [EMPLOYED] in the...

3 line 14, ...unrefined oil and gas. With respect to the facility known as the transalaska pipeline, the tax does not apply until the appropriate federal agency acquires legal authority to issue the permits necessary to begin construction of that facility. The tax for the year in which the authority is acquired shall be prorated from the time of acquisition.

line 24, ...assessment date according to the percentage of completion method.

lines 25-26, ... not to exceed 7 mills on [20 MILLS ON NOT MORE THAN 25% OF] the full and true value ,as determined in accordance with sections 40-70 of this chapter, of taxable real...

Page 2

line 8, section 20, add a new paragraph to read:

(3) production machinery, appliances, and equipment used in and around a well, until the well is producing oil or gas, at which time the exemption terminates.

Page 3

line 2, ... June 30 [SEPTEMBER 30]...

line 29 ... regulations in accordance with AS 44.62. as...

Page 4

lines 3-5, delete.

*Sec 2, delete.

Page 1, line 19 delete "property"; insert "equipment"

UNITED STATES
PROPERTY TAX RATES

Department of Revenue
Treasury Division
Audit Division

Minnesota Commission on Taxation

Average Property Tax Rates of All States

	<u>Rate of Assessment</u>	<u>Tax Rate (in Mills)</u>	<u>Effective Rate on Full Market Value (in Mills)</u>
Alabama	16.9	34.0	5.74
Alaska	94.55	14.25	13.47
Arizona	18.9	106.9	20.20
Arkansas	16.0	65.7	10.51
California	19.7	114.3	22.52
Colorado	27.2	90.04	24.49
Connecticut	58.0	49.94	28.96
Delaware	53.4	53.21	28.41
District of Columbia	54.3	32.0	17.37
Florida	85.0	15.9	13.51
Georgia	29.39	41.5	12.12
Hawaii	62.4	18.739	11.69
Idaho	11.95	105.2	12.57
Illinois	41.7	58.1	24.23
Indiana	25.6	105.12	26.91
Iowa	24.6	99.635	24.51
Kansas	20.0	83.871	16.77
Kentucky	87.5	12.383	10.84
Louisiana	17.8	68.89	12.26
Maine	58.6	59.92	35.11
Maryland	52.9	30.07	15.91
Massachusetts	49.1	59.70	29.31
Michigan	28.2	49.54	19.97
Minnesota	30.1	297.47	32.00
Mississippi	15.0	95.0	14.25
Missouri	27.6	50.0	13.80
Montana	40.0	200.0	26.00
Nebraska	31.8	70.34	22.37
Nevada	29.4	46.0	13.52
New Hampshire	70.0	40.3	28.21
New Jersey	75.41	47.4	35.74
New Mexico	23.2	30.8	7.15
New York	48.0	42.17	20.24
North Carolina	46.6	30.0	13.98
North Dakota	21.0	172.63	18.12
Ohio	31.0	46.7	14.48
Oklahoma	20.0	75.0	15.00
Oregon	87.2	27.02	23.56
Pennsylvania	42.8	83.10	35.57
Rhode Island	59.51	45.54	27.10
South Carolina	5.6	193.57	10.84
South Dakota	38.2	52.47	20.04
Tennessee	28.9	49.61	14.34
Texas	21.7	46.62	10.12
Utah	16.2	90.67	14.69
Vermont	36.04	6,820.0	24.57
Virginia	35.1	31.3	10.99
Washington	36.9	42.84	15.81
West Virginia	52.61	14.0	7.37
Wisconsin	60.56	57.65	34.91
Wyoming	20.2	60.542	12.23
National Average			<u>19.10</u>



REPRESENTATIVE WILLARD L. BOWMAN

ALASKA STATE LEGISLATURE

POUCH V - STATE CAPITOL
JUNEAU, ALASKA 99801

1112 EAST 69TH AVENUE
ANCHORAGE, ALASKA 99502

February 24, 1973

Dr. Thomas Barrow
President
Humble Oil and Refining Company
The Humble Building
Houston, Texas

Dear Dr. Barrow:

The Alaska State Legislature is considering the enactment of House Bill 245, entitled "An act relating to oil and gas revenue." This bill would impose a 20-mill ad valorem property tax on oil and gas production and transportation equipment, and would also repeal AS 38.35.140, the revenue formula for State right-of-way leases in the Alaska Right-of-Way Leasing Act of 1972.

The repeal of the revenue formula is intended, according to the sponsors, to make the Right-of-Way Leasing Act acceptable to companies participating in the trans-Alaska pipeline, and to moot the litigation between companies and State now in State Superior Court. I understand that this litigation could possibly delay construction of the pipeline, if a Federal permit for construction were issued, and if the points of conflict in the industry-State litigation were unresolved at that time.

One question is this: Would the enactment of HB-245 in its present form by the Alaska Legislature allow your company to withdraw from the litigation you have joined with other companies against the State, over the Right-of-Way Leasing Act?

A second question is this: If the enactment of HB-245 would not resolve the basic issues of contest with the State, would it tend to complicate and perhaps further delay the court's consideration of the issues involved?

A prompt answer is urgent. Please write or telegraph your reply as soon as possible.

Sincerely,

A handwritten signature in cursive script that reads "Willard L. Bowman".

Willard L. Bowman

PROPOSED AMENDMENT, HB-245

Page one, line 21

Sec 010:

Subsection (a)

line 21: delete: "and other facilities"

line 24: add: "The tax imposed by this subsection shall not be applied on production facilities until such facilities are actually employed in the production of oil and gas."

Revenues from State
Right-of-Way Leasing Act

	<u>F.Y.</u> <u>1978</u>	<u>F.Y.</u> <u>1979</u>	<u>F.Y.</u> <u>1980</u>	<u>F.Y.</u> <u>1981</u>	<u>F.Y.</u> <u>1982</u>	<u>F.Y.</u> <u>1983</u>	<u>F.Y.</u> <u>1990</u>	<u>F.Y.</u> <u>2000</u>	<u>Average</u>
At 4% ICC Return	\$ 2,078	\$ 2,078	\$ 2,078	\$ 2,078	\$ 2,078	\$ 2,078	\$ 8,721	\$27,140	\$15,436
at 5% ICC Return	3,455	4,121	4,796	5,479	6,169	7,548	18,546	35,168	22,699
At 7% ICC Return	25,105	26,074	27,067	28,083	29,121	30,182	38,196	51,223	40,580

STATE OF ALASKA
REVENUE

BUDGET PLANNING MODEL

RUN ID RUN 26

DATE FEBRUARY 8, 1973

COMMENTS

PIPELINE CONSTRUCTION BEGINS IN FY 1975
OIL FLOWS IN FY 1978
RIGHT-OF-WAY LEASING 4%
TAX PACKAGE INCLUDED

ASSUMPTIONS

ANNUAL RATE OF INTEREST ON GENERAL FUND = 7.00%
ANNUAL RATE OF INTEREST ON NEW BONDS = 6.00%
MATURITY PERIOD ON NEW BONDS IN YEARS = 20.
% OF CURRENT YR EXPEND. IN G.F. CASH BAL = 20.00%
ANN OPER EXPEND GROWTH RATE AFTER 1ST YR = 5.00%

FISCAL YEAR	NON INVESTMENT REVENUE	INVESTMENT INTEREST	TOTAL REVENUE	OPERATING EXPENDITURE	DEBT SERVICE	MISC EXP SHD TAXES GF CAP EX	TOTAL EXPENDITURE	SURPLUS OR DEFICIT	GENERAL FUND END OF YEAR
1973									642638.0
1974	181847.0	45877.2	227724.2	318666.0	26441.0	12193.0	357300.0	-129575.8	513062.2
1975	182511.0	33244.3	215755.3	334599.0	30000.0	12821.0	377420.0	-161664.8	351397.4
1976	195180.0	19652.5	214832.4	351328.6	33200.0	13165.0	397693.6	-182861.2	168536.3
1977	201058.0	5191.8	206249.8	368894.6	40000.0	3278.0	422172.6	-215922.8	-47386.6
1978	342023.0	-6022.0	336000.9	387339.1	45500.0	8898.0	461737.1	-125736.1	-173122.7
1979	517876.0	-8642.8	509233.1	406705.6	52100.0	15620.0	504425.6	4807.5	-168315.2
1980	541939.0	-6666.0	535272.9	427040.4	55300.0	13391.0	528731.4	6541.5	-161773.7
1981	565499.0	-4740.6	560758.4	448391.8	58200.0	48794.0	554885.8	5872.6	-155901.1
1982	571140.0	-3618.4	567521.6	470811.1	61600.0	48250.0	580661.1	-13139.5	-169040.6
1983	583091.0	-3839.8	579251.2	494351.1	66800.0	51627.0	612778.1	-33526.9	-202567.5
	3882164.0	70435.8	3952597.0	4008125.0	469141.0	309537.0	4797802.0	-845205.5	

STATE OF ALAS A
REVENUE

BUDGET PLANNING MODEL

RUN ID RUN 40

DATE FEBRUARY 8, 1973

COMMENTS

PIPELINE CONSTRUCTION BEGINS IN FY 1975
OIL FLOWS IN FY 1978
RIGHT-OF-WAY LEASING 4%
TAX PACKAGE INCLUDED
PROPERTY TAX INCLUDED

ASSUMPTIONS

ANNUAL RATE OF INTEREST ON GENERAL FUND = 7.00%

ANNUAL RATE OF INTEREST ON NEW BONDS = 6.00%

MATURITY PERIOD ON NEW BONDS IN YEARS = 20.

% OF CURRENT YR EXPEND. IN G.F. CASH BAL = 20.00%

ANN OPER EXPEND GROWTH RATE AFTER 1ST YR = 5.00%

FISCAL YEAR	NON INVESTMENT REVENUE	INVESTMENT INTEREST	TOTAL REVENUE	OPERATING EXPENDITURE	DEBT SERVICE	MISC EXP SHD TAXES GF CAP EX	TOTAL EXPENDITURE	SURPLUS OR DEFICIT	GENERAL FUND END OF YEAR
1973									642638.0
1974	185864.0	46022.9	231886.9	318666.0	26441.0	12193.0	357300.0	-125413.1	517224.9
1975	202913.0	34275.6	237188.6	334599.0	30000.0	12121.0	377420.0	-140231.4	376993.4
1976	232959.0	22794.0	255753.0	351328.6	33200.0	13155.0	397693.6	-141940.6	235052.8
1977	256511.0	11714.8	268225.8	368894.6	40000.0	13178.0	422172.6	-153946.8	81106.1
1978	406045.0	4834.3	410879.3	387339.1	45500.0	28138.0	461737.1	-50857.8	30248.3
1979	582628.0	6884.0	589512.0	406705.6	52100.0	45620.0	504425.6	85086.4	115334.6
1980	606691.0	13557.9	620248.8	427040.4	55300.0	46391.0	526731.4	91517.4	206852.0
1981	630251.0	20180.3	650431.3	448391.8	58200.0	48294.0	554885.8	95545.6	302397.6
1982	635892.0	25999.5	661891.5	470811.1	61600.0	48250.0	580661.1	81230.4	383628.0
1983	647843.0	30475.2	678318.2	494351.1	66800.0	51127.0	611778.1	65540.1	449168.1
	4387597.0	216738.4	4604333.0	4008125.0	469141.0	320137.0	4797862.0	-193469.9	

STATE OF ALASKA
REVENUE

BUDGET PLANNING MODEL

RUN ID RUN 106 (245)

DATE MARCH 6, 1973

COMMENTS

PIPELINE CONSTRUCTION BEGINS JULY 1, 1974 (FY 1975)
OIL FLOWS IN FY 1978
TAX PACKAGE INCLUDED
PROPERTY TAX INCLUDED (HOUSE BILL 245)

ASSUMPTION

ANNUAL RATE OF INTEREST ON GENERAL FUND = 7.00%

ANNUAL RATE OF INTEREST ON NEW BONDS = 6.00%

MATURITY PERIOD ON NEW BONDS IN YEARS = 20.

% OF CURRENT YR EXPEND. IN G.F. CASH BAL = 20.00%

ANN OPER EXPEND GROWTH RATE AFTER 1ST YR = 5.00%

FISCAL YEAR	NON INVESTMENT REVENUE	INVESTMENT INTEREST	TOTAL REVENUE	OPERATING EXPENDITURE	DEBT SERVICE	MISC EXP S&D TAXES GF CAP EX	TOTAL EXPENDITURE	SURPLUS OR DEFICIT	GENERAL FUND END OF YEAR
1973									642638.0
1974	193905.0	46314.6	240219.6	318666.0	26441.0	1 193.0	357300.0	-117080.4	525557.6
1975	213202.0	35232.1	248434.1	334599.0	30000.0	1 821.0	377420.0	-128985.9	396571.6
1976	246582.0	24617.7	271199.7	351328.6	33200.0	15165.0	397693.6	-126493.9	270077.7
1977	271642.0	14581.5	286223.4	368894.6	40000.0	13278.0	422172.6	-135949.1	134128.6
1978	423512.0	8883.2	432395.2	387339.1	45500.0	28898.0	461737.1	-29341.9	104786.7
1979	602030.0	12276.2	614300.1	406705.6	52100.0	45620.0	504425.6	109874.5	214661.2
1980	627968.0	20419.4	648387.4	427040.4	55300.0	46391.0	528731.4	119655.9	334317.1
1981	652931.0	28636.2	681567.2	448391.8	58200.0	48294.0	554885.8	126681.4	460998.6
1982	659367.0	36129.4	695496.4	470811.1	61600.0	48250.0	580661.1	114835.3	575833.9
1983	671648.0	42319.9	713967.9	484351.1	66800.0	5 627.0	612778.1	101189.8	677023.6
	4562787.0	269403.9	4832188.0	4008125.0	469141.0	32 537.0	4797802.0	34385.6	

STATE OF ALASKA
REVENUE

BUDGET PLANNING MODEL

RUN ID RUN 107

DATE MARCH 6, 1973

COMMENTS

PIPELINE CONSTRUCTION BEGINS JULY 1, 1974 (FY 1975)
OIL FLOWS IN FY 1978
TAX PACKAGE INCLUDED
PROPERTY TAX INCLUDED (HOUSE BILL 245)

ASSUMPTIONS

ANNUAL RATE OF INTEREST ON GENERAL FUND = 7.00%
ANNUAL RATE OF INTEREST ON NEW BONDS = 6.00%
MATURITY PERIOD ON NEW BONDS IN YEARS = 20.
% OF CURRENT YR EXPEND. IN G.F. CASH BAL = 20.00%
ANN OPER EXPEND GROWTH RATE AFTER 1ST YR = 7.00%

FISCAL YEAR	NON INVESTMENT REVENUE	INVESTMENT INTEREST	TOTAL REVENUE	OPERATING EXPENDITURE	DEBT SERVICE	MISC EXP SHD TAXES GF CAP EX	TOTAL EXPENDITURE	SURPLUS OR DEFICIT	GENERAL FUND END OF YEAR
1973									642638.0
1974	193905.0	46314.6	240219.6	318666.0	26441.0	1193.0	357300.0	-117080.4	525557.6
1975	213202.0	35093.4	248295.4	340972.5	30000.0	821.0	383793.5	-135498.1	390059.4
1976	246582.0	23867.9	270449.8	364840.2	33200.0	13165.0	411205.2	-140755.4	249304.1
1977	271642.0	12691.7	284333.6	390378.7	40000.0	13278.0	443656.7	-159323.1	89981.0
1978	423512.0	5263.5	428775.5	417704.8	45500.0	28898.0	492102.8	-63327.3	26653.7
1979	602030.0	6263.8	608293.8	446944.0	52100.0	45620.0	544664.0	63629.8	90283.4
1980	627968.0	11296.8	639264.8	478229.3	55300.0	46391.0	579920.3	59344.4	149627.9
1981	652931.0	15588.5	668519.4	511705.2	58200.0	48294.0	618199.2	50320.3	199948.1
1982	659367.0	18261.7	677628.7	547523.9	61600.0	4250.0	657373.9	20254.8	220202.9
1983	671648.0	18643.7	690291.6	585850.4	66800.0	5627.0	704277.4	-13985.8	206217.2
	4562787.0	193285.1	4756068.0	4402812.0	469141.0	324537.0	5192489.0	-436420.8	

TESTIMONY OF TIM BRADNER

BP ALASKA, INC.

On HOUSE BILL 245

Before the House Committee on
Community and Regional Affairs

Mr. Chairman and members of the committee, my name is Tim Bradner and I represent BP Alaska, Inc., subsidiary of British Petroleum and the operating company in Alaska for the Standard Oil Company of Ohio, owner of Prudhoe Bay leases.

I want to thank you for giving me the opportunity to discuss a particular impact that HB-245 has on my company, and all companies at Prudhoe Bay, which was not intended by the sponsors of the measure. It hits us particularly hard through language that was taken from an ad valorem tax measure intended only for transportation facilities and used in a bill that includes production facilities. The ad valorem tax was intended by its sponsors to include producing facilities actually producing oil and gas, as shown on page one, lines 13 and 14, "property employed in the production of unrefined oil and gas: and in the definition section on page four, which defines taxable real and tangible personal property as machinery, equipment and such used in the operation of wells producing oil and gas.

The problem comes when, if you refer back to page one, line 20, you see, "however, with respect to pipelines and other facilities taxable under this chapter which may be under construction or awaiting construction . . . ". This particular section was taken from the governor's HB-59, which applied only to transportation facilities, and was intended to tax the value of the pipeline while it was under construction. However, as used in HB-245 (which includes

oil and gas production facilities) this language creates an ambiguity which would be interpreted as having the tax apply also to our completed and partially completed, but as yet unproducing, wells and production facilities at Prudhoe Bay. This works a particular hardship on my company, which has made the decision to go ahead with development drilling and the construction of production facilities in the Prudhoe field despite the prospect of a continued and perhaps long delay before production in the field can begin. This was not intended by the bill's sponsors, and in discussing the matter with them, they support an amendment which we now recommend to HB-245, which would clarify the language and have the measure apply only to producing facilities that are actually in use. The sponsors have asked me to recommend this amendment to you gentlemen today, for your consideration when you act on this measure. We had intended to recommend this amendment in the Resources committee, but I did not have the appropriate language ready at the time the bill passed out of Resources. I did discuss the matter with several Resource members, and at least some of their subsequent recommendations of "do pass, with amendment" on HB-245 refers to this amendment.

In providing some additional background on this proposal, I would like to elaborate for a moment as to our present situation in the Prudhoe Bay field. BP Alaska, in the field development program, is responsible for drilling wells and installing production facilities in the western half of the field. Atlantic-Richfield has this responsibility for the eastern side, under a unit operating agreement which has been partly agreed to by all companies with interests in the field. At a time when many petroleum-related firms in Alaska are closing their facilities, cutting back on activities and reducing and transferring their personnel, our company has made a decided effort to keep one to two rigs active in the Prudhoe field, to continue with a schedule

of construction of field production facilities during summers, and in other ways to keep our operations going in the face of pipeline construction delays, including the recent appeals court decision in Washington. Just our activities result in some 260 to 275 jobs for men with families in the Fairbanks, Barrow and Anchorage areas. Those of Atlantic Richfield would be in addition. These 260 jobs include those in our own company, drilling contractors, trucking and transportation, oilwell service and other contractors working for us at Prudhoe Bay today. In addition, our activity substantially impacts probably another 100 jobs, such people as Wien Airline personnel, Interior Airline personnel, and other service industries. Seasonal hiring, for summer construction, is in addition to these figures. We can roughly calculate that our company's contribution, and those of others for whom we operate in the western side of the Prudhoe field, to the economy of Fairbanks and Anchorage probably exceeds \$6 million annually in payroll alone, other service purchases notwithstanding.

Continuing this activity in the face of repeated delays in the pipeline is a difficult financial burden, but there are four reasons that we do it. First, there are certain economies of scale we can enjoy by installing wells and facilities now rather than through crash programs in the future, though this advantage is partially offset by the bearing of a tremendous capital investment with a delayed return. Second, and probably most important to us, we are able to keep together a skilled Alaska technical team that our company has built up in the 12 years that we have been active on the North Slope and the five years that we have been drilling in the Prudhoe field. To close down operations would mean disbanding this team, and it would cost us dearly to rebuild it again. Third, there is an important advantage to us, and to the State, in having as many wells completed and ready for production as

possible, when the pipeline is completed. Fourth, There is a certain sense of corporate citizenship involved in demonstrating to Alaska our confidence that the pipeline will be built and that North Slope oil will flow to market. We feel the best way we can demonstrate this confidence is through continuing our activity as best we can, providing jobs and injecting payroll into Alaska's economy. In doing this, gentlemen, we're adding additional costs to an investment for all companies in the Prudhoe area that now approximates \$1.25 billion, \$900 million of which was paid to the State of Alaska in 1969. Carrying this kind of investment is difficult, even for the number of companies involved.

The 20-mill tax, if imposed on our nonproducing wells and production equipment, would probably result in an additional \$1.5 million to the state treasury, but it would also tend to discourage the development of additional wells and facilities. If HB-245 were passed as is, - and let me stress this, - we would probably not shut down our operations, but it would tend to have an inhibiting effect on any plans for expanding our activity. We ask exemption, of course, only until production begins. At that time we would assume our full share of the tax burden, but it would be an easier burden for us to handle with our facilities earning an income. I would also point out, in addition, that we already bear an uncertain tax burden in the Prudhoe field, imposed by the newly-created North Slope Borough.

To conclude, our company in principle cannot support HB-245 because of its discriminatory nature. We concur in the testimony presented recently by Alyeska Pipeline before the Resources committee on HB-259, in that we would rather bear a property tax that applied generally to all property, with some appropriate homestead and small business exemptions, than a

discriminatory tax that picks out one industry for a very special tax burden. But if the legislature does enact HB-245 or a similar version of it, we ask a temporary relief of the tax for our nonproductive wells and facilities at Prudhoe Bay. We have the concurrence of the sponsors of the measure in this request.

Thank you, Mr. Chairman. This concludes my testimony.

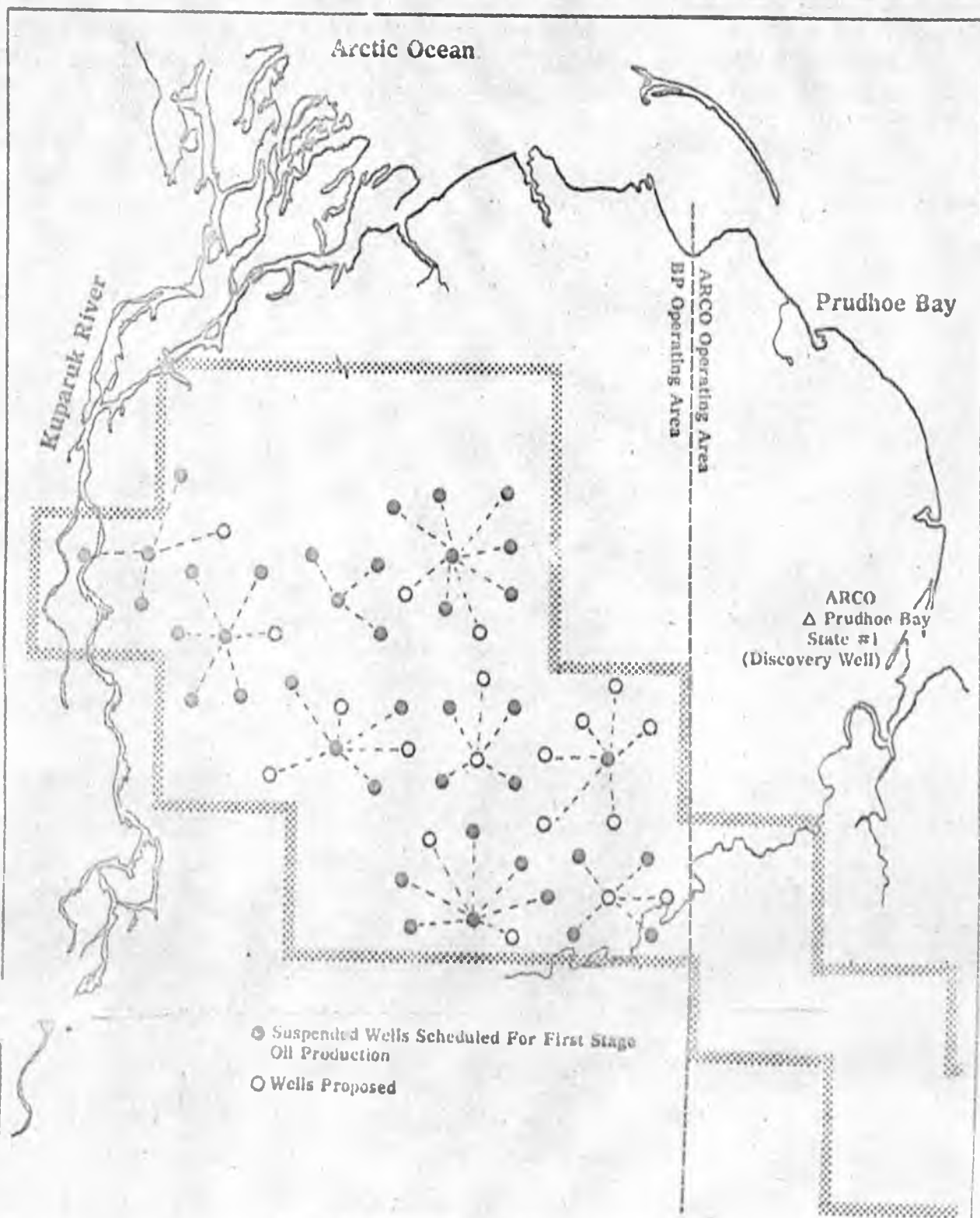
COMPLIMENTARY COPY
 for Members of the Legislature
 courtesy of
 ALASKA AIRLINES

Chorage

Volume 53 No. 24 44 Pages

Anchorage, Alaska, Monday

ALASKA REA



NEW SLOPE WELLS TO BE DRILLED

BP Alaska, Inc., has received permission to drill an additional 19 wells in its operating area on the North Slope. Black dots show the location of the company's wells already drilled in the area, and white dots show the new development wells to be spud. BP officials expect to begin drilling this year, but have not set a date for completion of

the 19 development wells. The company received permission for the drilling from the Alaska Oil and Gas Conservation Committee today. The okay allows BP to drill more than one well per governmental section, which will aid in removing oil on the startup of the trans-Alaska pipeline.

TELEGRAM

HCA ALASKA COMMUNICATIONS, INC.

PHONE: 582-6440

ZCZC 12833 NL FAIRBANKS ALASKA FAJ 08-07 330500Z

PAS REP SELBY CAROL

1973 MAR 2 PM 7 51

UU 000000

BT

OPPOSE HOUSE BILL 245 AS WRITTEN REQUEST FIRST SENTENCE
SECTION 43.06.01(C) LINES 25-26 PAGE ONE BE CHANGED TO
READ LOCAL GOVERNMENT UNITS MAY LEVY A TAX NOT TO EXCEED
THE RATE LEVIED ON OTHER REAL AND PERSONAL PROPERTY WITHIN
THE LOCAL GOVERNMENT UNIT ON THE FULL AND TRUE VALUE OF
TAXABLE REAL AND TAXABLE PERSONAL PROPERTY EMPLOYED
IN THE PRODUCTION AND TRANSPORTATION OF UNREFINED OIL
AND GAS

JOE CARLSON MAYOR

HOUSE BILL 245
 20 Mill Property Tax on Pipeline & Production Facilities
 Projection of Ad Valorem Tax Revenues
 (\$000 Omitted)

	<u>FY 74</u>	<u>FY 75</u>	<u>FY 76</u>	<u>FY 77</u>	<u>FY 78</u>	<u>FY 79</u>	<u>FY 80</u>	<u>FY 81</u>	<u>FY 82</u>	<u>FY 83</u>
Tax on TAPS Pipeline	\$ 4,574.0	\$22,055.9	\$40,853.1	\$59,947.6	\$69,211.1	\$70,000.0	\$70,000.0	\$70,000.0	\$70,000.0	\$70,000.0
Tax on Other Pipeline & Production Facilities	<u>11,180.0</u>	<u>14,270.0</u>	<u>19,170.0</u>	<u>24,110.0</u>	<u>27,790.0</u>	<u>30,390.0</u>	<u>32,890.0</u>	<u>34,760.0</u>	<u>35,820.0</u>	<u>36,260.0</u>
Total Gross Tax Collections	15,754.0	36,325.9	60,023.1	84,057.6	97,001.1	100,390.0	102,890.0	104,760.0	105,820.0	106,260.0
Less:										
Shared to Local Governments (see Below)	<u>3,695.8</u>	<u>5,634.7</u>	<u>8,621.4</u>	<u>11,396.0</u>	<u>13,434.1</u>	<u>14,158.0</u>	<u>14,783.0</u>	<u>15,250.5</u>	<u>15,515.5</u>	<u>15,625.5</u>
Net Revenue to State Treasury	<u>\$12,058.2</u>	<u>\$30,691.2</u>	<u>\$51,401.7</u>	<u>\$72,661.6</u>	<u>\$83,567.0</u>	<u>\$86,232.0</u>	<u>\$88,107.0</u>	<u>\$89,509.5</u>	<u>\$90,304.5</u>	<u>\$90,634.5</u>
Local Governments' Share of Property Tax:										
North Slope Borough	\$ 907.8	\$ 2,240.8	\$ 4,248.5	\$ 6,028.5	\$ 7,584.2	\$ 8,267.0	\$ 8,892.0	\$ 9,359.5	\$ 9,624.5	\$ 9,734.5
North Star Borough	203.5	334.5	619.5	909.1	1,049.5	1,061.5	1,061.5	1,061.5	1,061.5	1,061.5
City of Valdez	339.5	814.4	1,508.4	2,213.4	2,555.4	2,584.5	2,584.5	2,584.5	2,584.5	2,584.5
Kenai Borough	<u>2,245.0</u>	<u>2,245.0</u>	<u>2,245.0</u>	<u>2,245.0</u>	<u>2,245.0</u>	<u>2,245.0</u>	<u>2,245.0</u>	<u>2,245.0</u>	<u>2,245.0</u>	<u>2,245.0</u>
Total Shared Revenue	<u>\$ 3,695.8</u>	<u>\$ 5,634.7</u>	<u>\$ 8,621.4</u>	<u>\$11,396.0</u>	<u>\$13,434.1</u>	<u>\$14,158.0</u>	<u>\$14,783.0</u>	<u>\$15,250.5</u>	<u>\$15,515.5</u>	<u>\$15,625.5</u>

House Bill 59
Revenue Projections 1974 - 1983
Assuming Construction Starts July 1, 1974
(\$000 Omitted)

	FY 1974	FY 1975	FY 1976	FY 1977	FY 1978	FY 1979	FY 1980	FY 1981	FY 1982	FY 1983
Property Tax Collections Under HB 59	\$ 4574.0	\$22055.9	\$40853.1	\$59947.6	\$69211.1	\$70000.0	\$70000.0	\$70000.0	\$70000.0	\$70000.0
Less: Shared to Local Governments (see below)	556.6	1653.8	3063.1	4494.8	5189.2	5248.4	5248.4	5248.4	5248.4	5248.4
Net Revenues to State Treasury	\$ 4017.4	\$20402.1	\$37779.0	\$55452.8	\$64021.9	\$64751.6	\$64751.6	\$64751.6	\$64751.6	\$64751.6
Local Governments' Share of Property Tax:										
North Slope Borough	\$ 122.2	\$ 734.7	\$ 1360.8	\$ 1996.8	\$ 2305.3	\$ 2331.6	\$ 2331.6	\$ 2331.6	\$ 2331.6	\$ 2331.6
North Star Borough	162.8	267.6	495.6	727.3	839.6	849.2	849.2	849.2	849.2	849.2
City of Valdez	271.6	651.5	1206.7	1770.7	2044.3	2067.6	2067.6	2067.6	2067.6	2067.6
Total Shared Revenues	\$ 556.6	\$ 1653.8	\$ 3063.1	\$ 4494.8	\$ 5189.2	\$ 5248.4	\$ 5248.2	\$ 5248.4	\$ 5248.4	\$ 5248.4

HB

305

"An Act relating to assessment of real property for local taxation; and providing for an effective date."

COMMITTEE REPORT

3-17-73

HOUSE

Mr. Speaker:

Date 3-27-74

The Committee on COMM. APPROP. APPEALS has had HR 335

under consideration. A Majority of the members of the Committee

() recommends it DO PASS

() recommends it DO NOT PASS

(x) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

() recommends it BE REPLACED WITH CS FOR _____ AND THAT
CS FOR _____ DO PASS

() "and" recommends it BE REFERRED TO THE _____
COMMITTEE

() reports it back WITHOUT RECOMMENDATION

() "other"

Members signing the Majority report:

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Members NOT concurring in the Majority report:

_____ recommends: _____

_____ recommends: _____

_____ recommends: _____

_____ recommends: _____

_____ recommends: _____

_____ Chairman

AMENDMENT

OFFERED IN THE HOUSE:

By: Community and Regional
Affairs Committee

To: AMEND HOUSE BILL No. 305

SENATE BILL No. _____

PAGE: 1

LINE: 10

After the word "of", insert "real".

After the word "property", insert "owned and occupied
as a permanent place of abode, not to exceed 160 acres,
and"

POUCH V
JUNEAU, ALASKA
99801

Alaska State House of Representatives



MEMBERS:
REPRESENTATIVE
MILO FRITZ
REPRESENTATIVE
PHILLIP GUY
REPRESENTATIVE
JACOB LAKTONEN
REPRESENTATIVE
LARRY PETERSEN
REPRESENTATIVE
TERRY GARDNER

CHAIRMAN
REP. SELWYN CARROL
VICE CHAIRMAN
REP. GLENN HACKNEY

ADMINISTRATIVE ASSISTANT
GUY VAN DOREN

COMMITTEE SECRETARY
VICKI UMPHREY

Community and Regional Affairs Committee

March 7, 1974

Dear _____:

The House Community and Regional Affairs Committee will be holding hearings on House Bill 305, an act relating to the assessment of real property for local taxation. The hearings will be held on March 14 at 8:30 a.m. in Room 211 of the Assembly Building.

The Committee invites your testimony. If you cannot attend, the Committee will receive written comments.

Sincerely,

Selwyn Carrol, Chairman
House Community and Regional Affairs Committee

By: Guy A. Van Doren,
Administrative Assistant

SC/mt
Encl

2-15-74

Look into Mike Beckman

Jack Arnold

Donald Schroter -

Borough required to pay the assessment they determine -

Farm land cannot be taxed at the same rate as subdivision -

Don Berry Municipal League - Request that Borough Assessor Testify before the Committee - TO ASK why

Also explanation as to how a govt.

entity CAN take away A MAN'S improvements with just compensation -

FRUSTRATION
NO

SMOKING

Board of Equalization usually backs up their smaller boards or Assessor -

8,500 (About) in Eagle River

Re-evaluation

→ See Jack Radtke re HB 305

Berry - Take out Sold, Traded or Exchanged -

Council on STATE Govt - Re RAW land - TAX drops on Land that has been improved

3 class of Prop. Land - Land Improvement - Personal property -

→ See Sen. Radtke. Re: this.

Introduced: 3/6/73
Referred: Community &
Regional Affairs

1 IN THE HOUSE

BY FINK

2 HOUSE BILL NO. 305

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to assessment of real property for
7 local taxation; and providing for an effective date."

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

9 * Section 1. AS 29.53.060 is amended by adding a new subsection to read:

10 (c) The assessed value of property which has not been sold,
11 traded or exchanged within the preceding 10 years may not be increased
12 by more than 50 per cent in one assessment year, except to the extent
13 of improvements to the property.

14 * Sec. 2 This Act takes effect on the day after its passage and approval
15 or on the day it becomes law without approval.

16 *to Constitutionality*

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POUCH V
JUNEAU, ALASKA
99801

Alaska State House of Representatives

MEMBERS:

REPRESENTATIVE
MILO FRITZ

REPRESENTATIVE
PHILLIP GUY

REPRESENTATIVE
JACOB LAKTONEN

REPRESENTATIVE
LARRY PETERSEN

REPRESENTATIVE
TERRY GARDINER

CHAIRMAN
REP. SELWYN CARROL
CHAIRMAN
REP. GLENN HACKNEY

ADMINISTRATIVE ASSISTANT
GUY VAN DOREN

COMMITTEE SECRETARY
VICKI UMPHREY



Community and Regional Affairs Committee

March 7, 1974

Dear _____:

The House Community and Regional Affairs Committee will be holding hearings on House Bill 305, an act relating to the assessment of real property for local taxation. The hearings will be held on March 14 at 8:30 a.m. in Room 211 of the Assembly Building.

The Committee invites your testimony. If you cannot attend, the Committee will receive written comments.

Sincerely,

A handwritten signature in cursive script that reads "Selwyn Carrol".

Selwyn Carrol, Chairman
House Community and Regional Affairs Committee

By: Guy A. Van Doren,
Administrative Assistant

SC/int
Encl.

TELEGRAM

BCA ALASKA COMMUNICATIONS, INC.

PHONE: 586-6440

JUNEAU, ALASKA 99801

1974 MAR 13 PM 7 20

04036 NL ANCHORAGE ALASKA 152 03-13 0450P ADT

PNS MR S ROBERT DOZIER 586-6221 CALL IMMEDIATELY

STATE ASSESSOR DEPT OF COMMUNITY AND REGIONAL AFFAIRS

1108
DIVN OF LOCAL GOVERNMENT ASSISTANCE

POUCH B

JUN

BT

THE ADMINISTRATION OF GREATER ANCHORAGE AREA BOROUGH WOULD LIKE TO GO ON RECORD AS BEING AGAINST HB305. FOR THE FOLLOWING REASONS: THE BILL ASSUMES THAT ALL PROPERTIES ARE AT FULL AND TRUE VALUES. THIS IS NOT SO. NOR WILL IT BE IN THE NEAR FUTURE WITHOUT EXPENDING SEVERAL MILLIONS OF DOLLARS. PROPERTIES THAT WERE APPRAISED, THREE TO FOUR YEARS AGO AND FALL INTO THE PROPER CATEGORY MAY NEVER REACH FAIR MARKET VALUE GAIN. THE RISE IN PROPERTY VALUES MANY TIME EXCEEDS THE ALLOWABLE INCREASE OF THE BILL. AS WRITTEN, THE BILL ACTUALLY ASSESSES THE OWNER NOT THE PROPERTY. INEQUITIES WILL BE CREATED THAT WILL NEVER BE OVERCOME, IMPROVEMENTS ARE NOT DEFINED, I.E. IS ZONING AN IMPROVEMENT, IF A WET PROPERTY IS DRAINED BY NO ACTION OF THE OWNER OF THE PROPERTY IS THAT AN IMPROVEMENT. BEFORE PASSING THE BILL OUT OF THE COMMITTEE THE ADMINISTRATION FEELS THAT MORE LOCAL IMPUT IS NECESSARY

M MCKEE ASSESSOR GREATERANCHORAGE AREA BOROUGH

TRENDS IN MAJOR LOCAL GOVERNMENT REVENUE SOURCES, 1969-1973

APB 305

Huy

<u>CITY OF ANCHORAGE</u>	<u>GENERAL PROPERTY TAX REVENUES</u>	<u>INTERGOVERNMENTAL REVENUES</u>
1969	\$ 4,748,378	\$ 936,053
1973	6,865,940	5,809,078
CHANGE:	+ \$ 2,117,562	+ \$ 4,873,025
	or + <u>44.6%</u>	or + <u>520.6%</u>
<u>CITY OF FAIRBANKS</u>	<u>GENERAL PROPERTY TAX REVENUES</u>	<u>INTERGOVERNMENTAL REVENUES (STATE)</u>
1969	\$ 1,137,380	\$ 263,414
1973(est.)	2,242,694	928,200
CHANGE:	+ \$ 1,105,314	+ \$ 664,786
	or + <u>97.2%</u>	or + <u>252.4%</u>
<u>FAIRBANKS NORTH STAR BOROUGH</u>	<u>GENERAL PROPERTY TAX REVENUES</u>	<u>INTERGOVERNMENTAL REVENUES (STATE)</u>
1969	\$ 2,747,000	\$ 5,304,000
1972	1,504,000	1,817,000
CHANGE:	- \$ 1,243,000	+ \$ 513,000
	or - <u>45.2%</u>	or - <u>122.8%</u>
<u>GREATER ANCHORAGE AREA BOR.</u>	<u>GENERAL PROPERTY TAX REVENUES</u>	<u>INTERGOVERNMENTAL REVENUES</u>
1969	\$15,830,776	\$17,489,311
1973	23,170,894	46,839,037
CHANGE:	+ \$ 7,340,118	+ \$29,349,726
	or + <u>46.4%</u>	or + <u>167.8%</u>
<u>CITY OF VALDEZ</u>	<u>REAL PROPERTY TAX REVENUES</u>	<u>INTERGOVERNMENTAL REVENUES</u>
1969	\$ 96,361	\$ 14,361
1973	172,274	163,269
CHANGE:	+ \$ 75,913	+ \$ 148,905
	or + <u>78.8%</u>	or + <u>1036.9%</u>

LOCAL PROPERTY TAX AND REVENUE TRENDS: 1969-1973

	<u>ASSESSED VALUATION</u>	<u>MILL RATE</u>	<u>GENERAL PROPERTY TAX REVENUE</u>	<u>INTERGOV. REVENUE</u>
CITY OF ANCHORAGE	+ 81.1%	- 21.0%	+ 46.6%	+ 520.6%
CITY OF FAIRBANKS	+ 75.0%	+ 25.0%	+ 97.2%	+ 252.4% ²
FAIRBANKS NORTH STAR BOR. ¹	+ 90.0%	- 61.4%	- 45.2%	+ 122.8% ²
GREATER ANCHORAGE AREA BOR.	+109.5%	- 18.0%	+ 46.4%	+ 167.8%
CITY OF VALDEZ	+509.3%	no change	+ 78.8%	+1036.9%

¹For the period 1969-1972.

²State intergovernmental revenues only.

TELETYPE

BOA ALASKA COMMUNICATIONS, INC.
PHONE: 586-8440
JUNEAU, ALASKA 99801

17 MAR 13 PM 7 20

84086 NL ANCHORAGE ALASKA 152 03-13 0450P ADT

PMS: MR. S ROBERT DOZIER 586-6221 CALL IMMEDIATELY

STATE ASSESSOR DEPT OF COMMUNITY AND REGIONAL AFFAIRS

1108
DIVISION OF LOCAL GOVERNMENT ASSISTANCE

THE ADMINISTRATION OF GREATER ANCHORAGE AREA BOROUGH WOULD
LIKE TO GO ON RECORD AS BEING AGAINST HB305 FOR THE FOLLOWING
REASONS: THE BILL ASSUMES THAT ALL PROPERTIES ARE AT FULL

AND TRUE VALUES. THIS IS NOT SO. NOR WILL IT BE IN THE NEAR
FUTURE WITHOUT EXPENDING SEVERAL MILLIONS OF DOLLARS.

PROPERTIES THAT WERE APPRAISED, THREE TO FOUR YEARS AGO AND
NOT IN THE PROPER CATEGORY MAY NEVER REACH FAIR MARKET
VALUE GAIN. THE RISE IN PROPERTY VALUES MANY TIMES EXCEEDS
THE ALLOWABLE INCREASE OF THE BILL.

ADDITIONALLY, THE BILL ACTUALLY ASSESSES THE OWNER NOT THE
PROPERTY. INEQUITIES WILL BE CREATED THAT WILL NEVER BE
CORRECTED, IMPROVEMENTS ARE NOT DEFINED, I.E. IS ZONING
AN IMPROVEMENT, IF A WET PROPERTY IS DRAINED BY NO ACTION OF
THE OWNER OF THE PROPERTY IS THAT AN IMPROVEMENT. BEFORE

THE BILL OUT OF THE COMMITTEE THE ADMINISTRATION
STATED THAT MORE LOCAL INPUT IS NECESSARY

STATE ASSESSOR GREATER ANCHORAGE AREA BOROUGH

STATE
of ALASKA

MEMORANDUM

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS
DIVISION OF LOCAL GOVERNMENT ASSISTANCE

Engle

TO: [] JACK CHENOWETH
DIRECTOR

DATE : MARCH 6, 1974

FROM: S. ROBERT DOZIER
STATE ASSESSOR *RH*

SUBJECT: COMMENTS ON HOUSE BILL 305
INTRODUCED 3-6-73 BY FINK
COMMUNITY & REGIONAL AFFAIRS

House Bill 305 and Senate Bill 178 are designed to provide grants of public funds in aid to taxpayers whose property, which is held for future use or speculation, is rapidly increasing in value.

House Bill 305: AS 29.53.060, Full and True Value

(c) The assessed value of property which has not been sold, traded or exchanged within the preceding ten years may not be increased by more than 50% in one assessment year, except to the extent of improvements to the property.

House Bill 305 and Senate Bill 178 are designed to benefit taxpayers whose land is strategically situated to important industrial developments like the site of the trans-Alaska oil or gas pipeline projects and various other projects including highway relocation and community improvement projects.

House Bill 305 provides preferential assessment for a period which will enable property owners of longstanding, the opportunity to exercise leverage by holding property off the market and thereby realize substantial capital gain on their investment at the expense of other taxpayers, and the municipality.

A dramatic rise in assessed values may occur in some areas of the state, within a service area or within a neighborhood, which increase is based on assessed values established and unchanged for several years.

Assessed values are based on the full value (market value) of the property assessed. Any limitation based upon previous equalized assessments will cause dramatic inequalities and underassessment of certain properties and thereby destroy the equalization process.

In addition to general or specific economic increases in valuation, Property tax administrative procedures and funding available or authorized for reassessment must be considered. The cost of annual reassessment is considered prohibitive in municipal financial budgetary matters. The sectional assessment method is generally used; that is, a percentage portion of the total taxing jurisdiction is reassessed each year, preferably by service area, completing the reassessment cycle during a period of three to five years.

An example of the 50% assessed value limitation is outlined below. The example indicates a January 1, 1974 assessment of \$500 per acre value, which is an increase of 10 times over the previous assessment of \$50 per acre established for the subject property on January 1, 1969.

The example illustrates that in 1979, the assessed value would reach the reassessment figure as indicated for January 1, 1974. It is not uncommon that property strategically located could increase many times more than the example, in which case the assessed value as restricted by Senate Bill 305 would never again be at full and true value.

Example: Remote Acreage

January 1, 1969 Reassessment,	Assessed Value \$ 50.00 per acre
January 1, 1974 Reassessment	Assessed Value \$500.00 per acre

HB 305: Assessed Value Increases Limited to 50%

January 1, 1974	50% Increase	75.00 per acre value
" " 1975	" "	112.50 " " "
" " 1976	" "	168.75 " " "
" " 1977	" "	253.13 " " "
" " 1978	" "	379.70 " " "
" " 1979	" "	569.55 " " "

HB

404

"An Act providing for state aid to unincorporated communities; and providing for an effective date."

COMMITTEE REPORT

1-75

HOUSE

JUDICIARY
FINANCE

Mr. Speaker:

Date 8-13-77

The Committee on COMM. & REG. AFFAIRS has had 12-404

under consideration. A Majority of the members of the Committee

- recommends it DO PASS
- recommends it DO NOT PASS
- recommends it DO PASS WITH ATTACHED AMENDMENT(S)
- recommends it BE REPLACED WITH CS FOR 113-111 AND THAT

CS FOR _____ DO PASS

"and" recommends it BE REFERRED TO THE _____
COMMITTEE

reports it back WITHOUT RECOMMENDATION

"other"

Members signing the Majority report:

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ Chairman

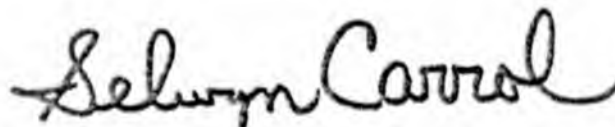
COMMITTEE REPORT

The Committee in reporting out CSHB 404 is attempting to aid those communities who have not yet incorporated, and thus, are not eligible for revenue sharing.

The bill provides for funds specifically to plan for the provision of future local governmental services and to ascertain priorities for future local community development. It is hoped that with these funds and with the help of the Department of Community and Regional Affairs, these communities will become incorporated in the near future, thus becoming less dependent on state funds.

In establishing the Unincorporated Communities Services Account, the committee is introducing a companion bill to appropriate \$100,000 for funding of the program for the first year. The intent of the committee is that funding for the remainder of the program will appear in the Department of Community and Regional Affairs budget until the communities become incorporated. Hopefully funds needed after the initial year will be on a descending scale as incorporation occurs.

Finally, the committee feels that this bill is a step in the right direction toward incorporation of the unorganized areas of the state.



Selwyn Carrol

Chairman

House Community and

Regional Affairs Committee

STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

WILLIAM A. EGAN, GOVERNOR

DIVISION OF LOCAL GOVERNMENT ASSISTANCE

POUCH B-JUNEAU 99801

January 30, 1974

The Honorable Selwyn Carroll
Chairman, House Community and
Regional Affairs Committee
Pouch V
Juneau, Alaska 99801

Dear Mr. Carroll:

Re: HB 404

In lieu of a fiscal note, I am enclosing a list of those unincorporated places, and their populations, which might make application for financial assistance if the bill before the Committee is enacted into law.

I suggested two changes which I thought the Committee might consider in its subsequent deliberations. That incorporation of new municipalities is fairly presumed by HB 404--the period during which entitlements would be paid to unincorporated places is only three years--I would suggest language authorizing the program administrator to pay the councils of communities incorporated the grant which would normally pass to an unincorporated corporation or association during the year of transition to incorporated status. To subsection (c) of AS 43.18.500 the following may be added:

(c) State aid payable under this section may be paid for a period of three years upon annual application following date of receipt and approval of certification by the department or until a community is incorporated as a city in accordance with AS 29.18.010-29.18.200, whichever comes first, provided, however, that the department may pay the council of an incorporated city in the year of the city's incorporation an amount which the nonprofit corporation or association would have received.

January 30, 1974

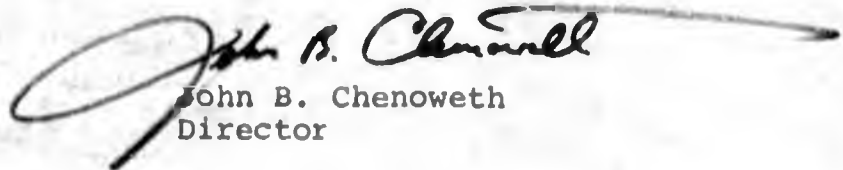
I would ask, also, that the Committee attempt to clarify whether unincorporated communities located within boroughs having area-wide planning authority (e.g., Tyonek) may benefit. The nature and purpose of the assistance provided, "encouraging communities to ascertain priorities for future community development, to plan for the provision of future local government services" suggests that the planning function will be restricted to the future administrative concerns of the particular community for a purpose rather more limited than land use planning and related matters generally embraced within a definition of areawide planning. Nevertheless, depending upon the breadth of interpretation of "planning" offered, an unincorporated place may be precluded from receipt of a grant as the power is one imposed on the borough.

Representative Guy has asked that we address ourselves to the question of payment to alternate representative bodies, specifying a nonprofit regional association in lieu of and in behalf of residents of a particular unincorporated place, citing the study function presently under way by Yupiktak Bista, Inc. on behalf of Bethel area residents. The suggestion has merit--the Department has always encouraged local study of areawide concerns before submission of a borough petition--but in the context of the unorganized borough I would rather that grants be made to an association in a community leaving to them the decision as to whether to support regional governmental study.

I concur in the observation of Mr. Berry of the Alaska Municipal League that the account for expenditures to unincorporated places ought to be kept separate and wholly apart from the present Municipal Services [revenue sharing] Account, AS 43.18.020(b), to avoid a further draw on the appropriation annually made to the latter. The accounts would serve programs with different purposes and ought to be separately funded at adequate levels.

May I reiterate Commissioner Mallott's expression of willingness to appear before the Committee as you further consider this bill.

Very truly yours,



John B. Chenoweth
Director

CERTIFIED VILLAGES WHICH ARE UNINCORPORATED (84)

Ahtna, Inc.

Cantwell	62
Chistochina	33
Copper Center	318
Gakona	88
Gulkana	53
Mentasta	68
Tazlina	NA

612

Aleut Corporation

Akutan	101
Atka	88
Belkofsky	59
False Pass	62
Nelson Lagoon	43
Nikolski	57
St. George	163

573

Arctic Slope

None

Bering Straits

Mary's Igloo	NA
Unalakleet	434

Bristol Bay

Chignik	83
Chignik Lagoon	45
Chignik Lake	117
Egegik	153
Ekuk	51
Igiugig	36
Iliamna	58
Ivanof Bay	48
Kokhanok	86
Kolignanek	142
Levelock	74
Naknek	318
Pedro Bay	65
Perryville	101
Pilot Point	68
Portage Creek	90
South Naknek	154
Twin Hills	67
Ugashik	25

Calista

Andreafski	NA
Atmautluak	NA
Bill Moore's	NA
Crooked Creek	NA
Georgetown	NA
Hamilton	16
Kalskag	122
Kipnuk	325
Kongiganak	190
Kwethluk	408
Kwigillingok	148
Lime Village	25
Napaimute	NA
Newtok	114
Ohogamiut	NA
Oscarville	41
Pitkas Point	70
Platinum	55
Quinhagak	340
Red Devil	81
Russian Mission (K)	94
Sleetmute	109
Stony River	74
Tuntutuliak	158
Tununak	274

Chugach Area

2754

English Bay	58
Port Graham	107
Tatitlek	111

Cook Inlet

276

Eklutna	25
Ninilchik	134
Tyonek	232

Doyon

311

Alatna)	2
Allakaket)	174
Beaver	101
Birch Creek	40
Chalkyitsik	130
Circle	54
Dot Lake	42
Eagle	67

u

McGrath	279
Minto	168
Northway	40
Rampart	46
Stevens	74
Takotna	153
Tanacross	84
Telida	NA

944
 98
 213
 5612
 373
 1783
 2754
 276

Koniag

904

Karluk 98

391
608

NANA

Noatak 293

83320

Sealaska

None

83320

10. NA

CERTIFIED VILLAGES LOCATED ON RESERVES WHICH ARE
UNINCORPORATED (4):

Arctic Village	113	Tellin	114
Klukwan	98	Venetie	112

UNINCORPORATED VILLAGES ON APPEAL (28):

Chitina	38
Unga	NA
Atkasook	NA
Nooiksut	200
Point Lay	60
Council	NA
Solomon	NA
Chuloonawick	NA
Umkumiuke	NA
Chenege	NA
Eyak	NA
Alexander Creek	NA
Caswell	NA
Chickaloon	25
Kasilof	71
Knik	NA
Montana Creek	33
Point Possession	NA
Salamatof	NA
Bettles	57
Manley	34
Afognak	NA
Anton Larson Bay	NA
Bells Flats	NA
Kaguyak	NA
Uyak	NA
Woody Island	41
Kasaan	30

OTHER PLACES (26):

Adak	2,800	Coffman Cove	NA
Thorne Bay	443	El Capitan	NA
Glennallen	450	Gildersleeve	NA
Metlakatla	1,250	Brown's Court (area)	NA
Cold Bay	256	Port Alice	NA
Healy-Suntrana	220	St. John's Harbor	NA
Tok	550	Sunrise Creek	NA
Cape Pole	123	Tuxekan	NA
Edna Bay	112	Whale Pass	NA
Gustavus	64	Medfra	NA
Kenny Lake	100	Nabesna	NA
Paxson	24	Slana	NA
Hyder	49		
Minchumina	23		

MEMORANDUM

State of Alaska

TO: Mr. Guy Van Doren

DEPT. Comm. and Regional Affairs
DIV. DSEO
SEC. _____

DATE

Jan 28, 1974

FROM: *CS* Carlton Smith, DSEO JNU

SUBJECT: Status of HB 404

On Tuesday, the Dept. of Comm. and Regional Affairs is expected to support HB 404 with reservations. The testimony will include a rough cost figure for the measure, and broad implications to the Department and the Boundary Commission, e.g. a change in travel costs incurred by its passage.

STATE
of ALASKA

MEMORANDUM

OFFICE OF THE GOVERNOR

TO: The Honorable John E. Havelock
Attorney General
Department of Law

DATE: February 28, 1972

FROM: *Bill by J.E.H.*
Byron I. Mallott
Director
Local Affairs Agency

SUBJECT: House Bill No. 600

On Monday, February 21, the House Local Government Committee reported out HB No. 600 with a "do pass" recommendation. This bill has now gone to the House Finance Committee.

During committee discussion on this bill, the agency presented testimony including the fiscal impact to the state should the legislation be enacted. The agency pointed out certain questions which should be evaluated prior to the bill's being reported out onto the House floor. These questions are stated as follows:

1. May federal Indian Reorganization Act (IRA) business corporations legally receive and expend state funds for "municipal" purposes within either organized cities or boroughs or unincorporated areas?

Discussion:

IRA corporations organized under the provisions of the Wheeler-Howard Act have as their primary purpose the transaction of business within predominantly Indian or Native communities. We are generally aware that the Wheeler-Howard Act also provides for the establishment of minimum local self-government for Indian communities through the adoption of a constitution and by-laws provided by the Secretary of the Interior. It becomes a question, therefore, whether or not a community which has adopted an IRA charter containing provisions for minimum local government can exercise such powers in the face of Sections 2 and 7 of Article X, the Alaska Constitution.

2. If IRA corporations are in fact "closed" to all but persons of Native origin, is the State Legislature in any way impeded from authorizing disbursement of state general fund monies through AS 43.18.010 to communities as defined in HB No. 600?

Discussion:

It would appear that allocation of state shared revenues to these corporations would carry with it the requirement that the funds so allocated be expended wholly for public purposes, i.e. municipal services, authorized by federal

IRA charters. That this necessarily follows is buttressed by AS 43.18.010 (f) which states, in part, that "funds received by a city, borough or service area under this section may be expended for any public purpose for which it has power to expend public funds..." (emphasis added)..

3. Could an IRA corporation located within the boundaries of a municipality incorporated under state law be eligible for revenue sharing allocations?

Discussion:

It is conceivable that situations may exist where communities are incorporated both under the federal Wheeler-Howard Act and also under Titles 29 and 7 of the Alaska Statutes. While the intent of the proposed bill must be to make communities which have organized as IRA corporations but not as municipal corporations eligible for revenue sharing funds, it would seem that the bill, as written would not preclude funding of both an IRA corporation and a municipality within the same community.

The above are some of the questions which have immediately surfaced with respect to HB 600. The agency respectfully requests that your office provide this agency and the Legislature with an opinion discussing these questions as well as any other important implications generated by this bill of which we are not presently aware.

The attachments to this memorandum provide a picture of the fiscal aspects which would ensue if the legislation were to be enacted by the Legislature. I am available for discussion on this matter at your convenience.

BIM/SJS/pc

Attachments

cc: The Honorable Mike Miller, Chairman
House Local Government Committee

The Honorable Richard Whittaker
House of Representatives

CERTIFIED VILLAGES WHICH ARE UNINCORPORATED (84)

Ahtna, Inc.

	3
Cantwell	62
Chistochina	33
Copper Center	318
Gakona	88
Gulkana	53
Mentasta	68
Tazlina	NA

Aleut Corporation

	612
Akutan	101
Atka	88
Belkofsky	59
False Pass	62
Nelson Lagoon	43
Nikolski	57
St. George	163

Arctic Slope

None

Bering Straits

Mary's Igloo	NA
Unalakleet	434

Bristol Bay

Chignik	83
Chignik Lagoon	45
Chignik Lake	117
Egegik	153
Ekuk	51
Igiugig	36
Iliamna	58
Ivanof Bay	48
Kokhanok	88
Kolignanek	142
Levelock	74
Naknek	318
Pedro Bay	65
Perryville	101
Pilot Point	68
Portage Creek	90
South Naknek	154
Twin Hills	67
Ugashik	25

Calista

Andreafski	NA
Atnautluak	NA
Bill Moore's	NA
Crooked Creek	NA
Georgetown	NA
Hamilton	16
Kalskag	122
Kipnuk	325
Kongiganak	190
Kwethluk	408
Kwigillingok	148
Lime Village	25
Napaimute	NA
Newtok	114
Ohogamiut	NA
Oscarville	41
Pitkas Point	70
Platinum	55
Quinhagak	340
Red Devil	81
Russian Mission (K)	94
Sleetmute	109
Stony River	74
Tuntutuliak	158
Tununak	274

Chugach Area

English Bay	58
Port Graham	107
Tatitlek	111

Cook Inlet

Eklutna	25
Ninilchik	134
Tyonek	232

Doyon

Alatna)	31
Allakaket)	174
Beaver	101
Birch Creek	40
Chalkyitsik	130
Circle	54
Dot Lake	42
Eagle	67

1743

2754

226

391

608

McGrath 279
 Minto 168
 Northway 40
 Rampart 46
 Stevens 74
 Takotna 153
 Tanacross 84
 Telida NA

00
 944
 98
 293
 5612
 573
 1783
 2754
 276
 391
 608

Koniag

944

Karluk 98

NANA

Noatak 293

Sealaska

None

83320

83320

10. N A

CERTIFIED VILLAGES LOCATED ON RESERVES WHICH ARE
UNINCORPORATED (4):

Arctic Village	113	Tetlin	114
Klukwan	98	Venetie	112

UNINCORPORATED VILLAGES ON APPEAL (28):

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Unga	NA
Atkasook	NA
Nooiksut	200
Point Lay	60
Council	NA
Solomon	NA
Chuloonawick	NA
Umkumiuke	NA
Chenega	NA
Eyak	NA
Alexander Creek	NA
Caswell	NA
Chickaloon	25
Rasilof	71
Knik	NA
Montana Creek	33
Point Possession	NA
Salamatof	NA
Bettles	57
Manley	34
Afognak	NA
Anton Larson Bay	NA
Bells Flats	NA
Kaguyak	NA
Uyak	NA
Woody Island	41
Kasaan	30

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Cape Pole	123	Tuxekan	NA
Edna Bay	112	Whale Pass	NA
Gustavus	64	Medfra	NA
Kenny Lake	100	Nabesna	NA
Paxson	24	Slana	NA
Hyder	49		
Minchumina	23		

STATE
of ALASKA

MEMORANDUM

TO: [The Honorable Mike Miller, Chairman
House Local Government Committee
Alaska State House of Representatives

DATE : February 19, 1972

FROM: ^{BM} Byron I. Mallott, Director
Local Affairs Agency
Office of the Governor

SUBJECT: HB-600- State Aid to Federal Law Cities

The following fiscal analysis of HB 600 is based on the premise that each IRA Council would be empowered to provide and would be providing the services listed, two years after each initially became eligible for grants in aid under AS 43.18.010.030. Therefore, this analysis should be considered an estimate of each active IRA Council's potential level of participation.

AKIACHAK - Population 312 - Police Protection, Fire Protection, Parks and Recreation, Road Maintenance.	\$8940
ATKA - Population 88 - Police Protection, Fire Protection, Parks and Recreation, Road Maintenance.	\$4760
KLUCKWAN - Population 102 - Police Protection, Fire Protection, Water Pollution, Parks and Recreation.	\$2244
KWETHLUK - Population 408 - Police Protection, Fire Protection, Parks and Recreation, Road Maintenance, Health Facilities	\$12,910
KWIGILLINGOK - Population 148 - Police Protection, Fire Protection, Parks and Recreation	\$2960
KWINHAGAK - Population 340 - Police Protection, Fire Protection, Parks and Recreation	\$6800
METLAKATLA - Population 1050 - Police Protection, Fire Protection, Water Pollution, Land Use Planning, Transportation, Parks and Recreation, Road Maintenance, Health Facilities.	\$43,450
MINTO - Population 168 - Police Protection, Fire Protection, Water Pollution, Land Use Planning, Parks and Recreation, Road Maintenance.	\$4932
NIKOLSKI Population 57 - Police Protection, Fire Protection, Parks and Recreation, Road Maintenance	\$4140