

153

HCRA

HB 291

-

HB 478

FREEMANS OPINION

They are already doing well with impact monies and taxable property. Specking said it would be unreasonable to combine Cordova and Valdez. The idea will never fly, they don't want to be associated with each other.

Specking said the way of life in Valdez has been destroyed. Valdez needs new school and their charter precludes them from bonding. This is not special legislation like Eagle river because it applies to everywhere and not just one area.

2ND CLASS BORO?

Cotten asked why they don't apply for second class borough status. They could use service areas and get forest receipts. they probably fear that the Boundary Commission would not look favorably upon them. Jack doesn't know what the Commission would do. Personally, Jack would turn them down. They can already do what they're doing as a city.

HB 359

The Committee now took up HB 359 since Specking was the sponsor of this bill also. He said the subject needs to be looked at by the Legislature. the \$2million was plucked out of the air and will be adjusted in Finance to what is reasonable.

SEC. 2

Secion 2 places stringent controls. Bill is for emergency needs and not goodies bag. Opposed to the use of impact funds lowering taxes. He has no objection to putting in restrictive language in that capacity.

IMPACT FUNDS

Jack said this is the only sum that has been requested. He submitted for \$10 million to continue the program through next year but it was turned down. The Governor wants impact monies to go the foundation program for education. No continuation of grant programs.

Specking put the bill in so the Legislature would at least address the problem.

ADJOURN

Meeting was adjourned at 10:00.

HB 290, 291 Chairman cotten asked for the consensus of the
Committee on these two bills. The members wanted
them left in Committee until next year.

HB 377 Freeman doesn't see any reason for the bill.
The rest of the Committee concurs. DEAD.

SB 125 This is the same one as HB 172 passed out earlier.
Hershberger suggests leaving this one in committee
and letting HB 172 go through the stages. Let a
representative have this one. RESt of the members
concur.

HB 293 The Chairman received a telegram from Kodiak who
are opposed to this bill. Freeman said that
the Anchorage city and borough are interested.
Want to wait for more testimony on this one.

HB 259 Hackney wants to study for the rest of the session.
Cotten said the sponsor doens't want to see it again.
Dead for now.

HB 218 Cotten said there was a constituti~~onal~~nal problme
SB 209 with these bills. Dead for now.

HB 322, 359 Hackney wants rep. Specking to come. Also Chenoweth.
These bills will be taken up tomorrow.

ADJOURN Meeting was adjourned at 10:00.

HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

March 30, 1976

The meeting was called to order at 9:10 am by Chairman Cotten for discussion of HB 322. Present were:

Rep. Cotten	Rep. Davis
Rep. Ose	Rep. Kelley
Rep. Rudd	Don Berry, Municipal League
Rep. Ostrosky	Greg Machyowsky, Legislative Affairs
Rep. Freeman	Barbara Englert Thomas, Staff
	Vicci Hansen, Staff

0001 Chairman Cotten stated that the whole subject is a little confusing and there has been two different approaches suggested to the end result that the people in Valdez apparently want.

0015 Greg Machyowsky from Legislative Affairs testified and was able to answer questions. He started with a technical correction on the bill. On page 1 there should be a phrase inserted between lines 28 and 29. They left out the introductory language for that petition. He suggested that they take care of that matter after the committee is over.

He stated that the bill was prepared rapidly and he added some additional language because of a constitutional reason. That additional language starts out on page one at line 10. He discussed additional changes in the bill. The original draft left out that provision about petition of the local boundary commission but in evaluating the draft it became rather apparent that in effect the status as a unified municipality would be a borough status and the state constitution as was pointed out in a memo that accompanied the draft requires that the standards for incorporation of boroughs be set out by law and the constitution actually refers to specific standards like population, geography and economics. So, therefore, the thought is for constitutional reasons, if a city is going to go to unified municipality status which is more or less accepted as a borough status that it should satisfy the standards to be a borough, under the state constitution. Those standards have been spelled out in more detail in the state law through incorporation of boroughs therefore, that provision saying before you will invoke this unification process you have to satisfy the local boundary commission that you are qualified to be a borough was added. It was not in the original draft. Then assuming that qualification has been met a city that has developed to a point where it meets the standards for a borough under this bill can follow essentially the same process with a borough and cities within it would follow and would unify under present law.

0312 There were questions from the committee to Machyowsky and discussion on the bill.

0328 Machyowsky said that this bill goes on to cover one other situation where you have two or more cities. This provision was inserted in the bill and starts at line 19 of page 2. It is really a repetition of the first part of the bill except where you have a concept of two cities assuming unified municipality status. This was placed in the bill following the suggestion of Pal

of Palmer McCarter. His feeling was that HB 322 which deals with only a home rule city in an unorganized borough reclassifying that concept should be expanded into not just a home rule city in an unorganized borough reclassifying into a unified municipality but rather the concept should be carried farther and the unification law should be adapted to all cities in the unorganized borough or unincorporated community. Essentially this is a bill which tries to take the present unification law, the procedures for a petition and an election, the charter commission adopting a charter, take that and adopt this to a situation of a city, not a borough but a city and try to give them unified municipality status. Obviously what you might ask what does a unified municipality status mean. Under the law, if you are a unified municipality, you have the powers of both the city and an unorganized borough and you have home rule status. In actuality Machyowsky thinks that the real distinction between this kind of municipality and say a home rule borough or even a home rule city is that you could not incorporate a borough once you have the unified municipality.

0513 Cotten asked if this bill had been simplified somewhat. If they have to get approval from the Boundary Commission to prove that they satisfy the standards for a borough incorporation.

0529 Machyowsky says that this bill really follows the requirements of the unification law. The only thing is that you don't have to have a borough before you start.

There was committee discussion on this.

0591 Rep. Freeman stated that it is his feeling that what Valdez wants to do can be simply done by the original bill. He said that there is no question about what they want to do. They want to get themselves in a position so that they are not swallowed up in a borough.

There was discussion on this.

0901 Rep. Rudd suggested tableing the motion and Chairman Cotten said that he would not entertain a tableing motion.

Meeting was adjourned at 9:45 am.

HUGHES THORSNESS GANTZ POWELL & BRUNDIN

Attorneys at Law

JOHN C. HUGHES	JOE M. HUDDLESTON
DAVID H. THORSNESS	SIGURD E. MURPHY
RICHARD O. GANTZ	RICHARD D. THALER
JAMES M. POWELL	CARL J. D. BAUMAN
BRIAN J. BRUNDIN	FRED B. ARVIDSON
MARCUS R. CLAPP	DENNIS M. BUMP
KENNETH P. JACOBUS	MARY HUGHES PATCH
GARY W. GANTZ	FRANK A. PFIFFNER
JERRY E. MELCHER	ROBERT T. PRICE
IRVING S. BERTRAM	RALPH R. BEISTLINE

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March 4, 1976

Please reply to: Anchorage

Representative Samuel Cotten, Chairman
House Committee on Community and
Regional Affairs
Pouch V- State Capitol
Juneau, AK 99801.

Re: House Bill 322, Allowing Certain Cities to Become
Unified Municipalities with the Approval of the
Local Boundary Commission

Dear Representative Cotten,

Thank you very much for the opportunity to speak with you
in Juneau regarding House Bill 322, and your agreement that
the committee will conduct a hearing on this bill on
Thursday, March 11, 1976.

The City of Valdez is very interested in the enactment of
House Bill 322 this session. The Bill is in the best interests
of the State of Alaska, and the Prince William Sound area
generally, because it should ultimately result in an
organized and unified government for that area, consisting of
people who have similar concerns and interests. The city does
not intend to become a borough the same size as the present city.
On the other hand, the city has no desire to come into any
conflict with any of the other municipalities in the area.
Unified local government can be very beneficial to an area,
both because it is close to the people and responsive to their
needs, and because it affords a vehicle whereby the local area
can obtain state and federal benefits.

The present City of Valdez is very suitable for a borough form
of government. As a first class, home rule city, located out-
side an organized borough, it presently exercises the powers
that it would as a borough, and is experienced in the exercise
of these powers. Additionally, the differential tax zones
already provided for by the Valdez City Charter will allow the
borough to expand, but will ensure that the taxpayers in areas
receiving fewer services will be taxed only for those services
that they actually receive.

Representative Samuel Cotten, Chairman
Page 2
March 4, 1976

Under the present statutes, the only way to provide a single, unified government in the Valdez area would consist of two complicated, expensive and time consuming steps. First, a separate borough would have to be organized. Second, that organized borough would have to be unified with the city. The experience of Juneau and Anchorage, in which unification was accomplished the hard way, show that unified local government is desired by the people. House Bill 322 will allow the City of Valdez to reach the same result as Juneau and Anchorage, without the extreme difficulties and expense that has taken place in those areas because of the creation and existence of two separate local governments.


The city of Valdez is very interested in the enactment of House Bill 322 this session. The City Manager, Herb Lehfeldt, two members of the City Council, and I will be traveling to Juneau for the hearing on March 11, 1976. On March 1, 1976, the City Council, by a unanimous vote of the members present, adopted resolution No. 7607 requesting enactment of house Bill 322, and a copy of this resolution is attached.

I am sending copies of this letter to the other members of the House Committee on Community and Regional Affairs so that they will be aware of the importance that the city of Valdez attaches to the enactment of House Bill 322.

Thank you very much for your assistance and consideration of this Bill. If you or any of the committee members have any questions, or desire any further information, please let me know.

Very truly yours,

HUGHES, THORSNESS, GANTZ, POWELL & BRUNDIN
Attorneys for the City of Valdez

By 
Kenneth P. Jacobus

KPJ:am

Enclosures

cc: Kathryn Ostrosky
Lisa Rudd
Ramona Kelley
Al Ose
Larry Davis
Mike Hershberger
Glenn Hackney
Oral Freeman

CITY OF VALDEZ, ALASKA

Resolution No. 7607

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, SUPPORTING HOUSE BILL 322, ALLOWING CERTAIN CITIES TO BECOME UNIFIED MUNICIPALITIES WITH THE APPROVAL OF THE LOCAL BOUNDARY COMMISSION.

WHEREAS, it is in the public interest of the City of Valdez, the Prince William Sound area, and the State of Alaska to strengthen the powers of local government under our Constitution providing for home rule municipalities and mandated boroughs, and

WHEREAS, House Bill 322 is in furtherance of this end.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, THAT:

Section 1. House Bill 322, presently in the House Committee on Community and Regional Affairs, should be reported out of that committee with a favorable recommendation, and should be enacted into law this session of the legislature.

Section 2. Copies of this resolution shall be transmitted to the governor, the Department of Community and Regional Affairs, the chairman and members of the House Committee on Community and Regional Affairs, Rep. Specking, Sen. Kertulla, the Alaska Municipal League, and any other persons who are able to assist in having this legislation enacted.

Dated this 1st Day of March, 1976.

CITY OF VALDEZ, ALASKA

By _____

ATTEST:



HUGHES THORSNESS LOWE GANTZ & POWELL

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BILL LAWRENCE
FRED B. ARVIDSON
DENNIS M. BUMP

23 April 1975

Samuel R. Cotton
Chairman House Community
and Regional Affairs Committee
Alaska State House of Representatives
Pouch V
Juneau, Alaska 99801

RE: House Bill No. 322 authorizing a home rule city outside an organized borough to reclassify as a unified municipality.

Dear Chairman Cotton:

As city attorneys for Valdez, we have reviewed House Bill No. 322 in light of the recent decision of the Alaska Supreme Court on April 15, 1975, relating to the Eagle River-Chugiak Borough. This decision does not affect the constitutionality of House Bill No. 322. The legislation authorizing the creation of the Eagle River-Chugiak Borough was both special and local in that it provided a new method of creating a borough which is peculiar to the Eagle River-Chugiak area. On the other hand, House Bill No. 322 is of general effect, and requires that the local boundary commission procedure be used to effect the unification. Any unification accomplished under the provisions of proposed AS29.08.040(j) would not be overturned by the Alaska Supreme Court.

House Bill No. 322 is a relatively simple concept, and simply provides for a method of unification which probably should be provided for in the statutes, but presently is not. The City of Valdez would appreciate it very much if this bill could be enacted prior to the adjournment of the present session so that the City of Valdez can go forward with this part of its difficult task in meeting the present pipeline impact.

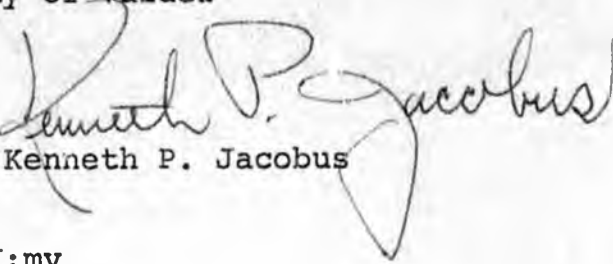
Samuel R. Cotton
Page 2

I thank you very much for whatever efforts you might make to expedite this bill.

Very truly yours,

HUGHES, THORSNESS, LOWE,
GANTZ & POWELL, Attorneys for the
City of Valdez

By:


Kenneth P. Jacobus

KPJ:mv

cc: Herbert W. Lehfeldt
P.O. Box 506
Valdez, Alaska 99686

STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

DIVISION OF LOCAL GOVERNMENT ASSISTANCE

JAY S. HAMMOND, Governor

POUCH B - JUNEAU 99811

March 10, 1976

The Honorable Sam Cotten
Chairman, Community and Regional Affairs
Committee
Alaska House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Representative Cotten:

I would like to comment on House Bill 322, "An Act authorizing a home rule city outside an organized borough to reclassify as a unified municipality".

The Department is opposed to passage of this particular piece of legislation. First, the legislation appears applicable to only a very small number of municipalities (currently 4 would qualify). Second, there seems an inherent conflict in requiring a city to satisfy borough incorporation standards; in other words, it seems paradoxical to state that a city - - a form of local government designed to meet community needs - - could meet borough - - the form of local government designed to meet regional governmental needs - - incorporation standards. Third, we are opposed to any method of change in municipal status which does not allow the constituents of the local government affected the opportunity to approve or disapprove of the reclassification by referendum. Finally, allowing a home rule city in the unorganized borough to reclassify as a unified municipality, under HB 322, would have minimal, if any, effect upon the status of the municipality.

I would note, too, that we have contacted the Chairman of the Local Boundary Commission and he concurs in our comments.

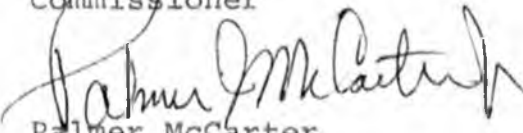
In closing, I would add that we do not find the concept of providing for a single regional government improper; on the contrary, we feel it is a commendable concept. However, we do think that the method of achieving "unification" suggested by HB 322, is improper.

March 10, 1976

One method of accomplishing this, would be to amend AS 29.68.240 to read as follows; "An organized borough and all cities within the borough or any city or group of cities or communities in the unorganized borough may unite to form a single unit of home rule government by complying with this chapter." Additional sections of Article 3 "Unification of Local Governments" must be reviewed for compliance with the proposed changes suggested by amending AS 29.68.240

Sincerely,

Lee McAnerney
Commissioner


by: Palmer McCarter
Director
Division of Local Government
Assistance

Presently this would
affect only Cordova &
Valdez and Wrangell
& Petersburg

STATE OF ALASKA THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99801

LEGISLATIVE AFFAIRS AGENCY

March 18, 1975

MEMORANDUM

TO: Representative Specking

FROM: Greg Machyowsky, Legislative Counsel

SUBJECT: Attached bill relating to home rule city as unified municipality

Upon study of the draft and letter of the city attorney of Valdez submitted with the bill request, review of the municipal code, and discussion of the concept of the request with Bill Berrier of this office, who is also a specialist in local government matters, I have redrafted the draft submitted so as to provide for reclassification of a home rule city outside an organized borough to unified municipality status, rather than dissolution of the city and new incorporation as a unified municipality.

This more limited approach would seem to accomplish the intent of the draft and still integrate well with concepts of the municipal code relating to reclassification. If I have overlooked any aspect of intent and a dissolution and incorporation are indicated, the bill can be revised accordingly.

The reclassification provided in the bill follows the same principle as already authorized in the law for reclassification of boroughs, i.e., on the basis of powers authorized, and permits reclassification to a unified municipality having the home rule powers of both a city and borough.

The primary advantages of this dual status for the former home rule city would seem to be, as with existing unified municipalities, clear authority to utilize the service area concept of boroughs within the area of the former city and areas which may be annexed in the future, and the probable qualification of the unified municipality for (forest service receipts) allowed by federal law to counties (boroughs) for road and school purposes, and possibly other federal tax revenues.

As a practical matter, too, the dual status of the unified municipality as city and borough should also preclude the addition of

Representative Specking

-2-

March 18, 1975

another unit of government, an organized borough, within the area of the unified municipality, since the unified municipality already has satisfied the standards for incorporation of an organized borough and has the powers of an organized borough as well as a city.

Please let me know in the event I can be of further assistance with the bill request.

GM/sm

MB322

D. & K. - worst than 1st

totally unacceptable

at this pt. not making
positive statement - wait till

I permit speaking of any city
in standards for confidentiality
any for 700

STATE OF ALASKA
THE LEGISLATURE

POUCH Y STATE CAPITOL
JUNEAU, ALASKA 99801

LEGISLATIVE AFFAIRS AGENCY

March 25, 1976

MEMORANDUM

TO: Representative Samuel Cotten, Chairman,
House Community and Regional Affairs Committee

ATTN: Barbara Thomas, Administrative Assistant

FROM: Greg Machyowsky, Legislative Counsel

SUBJECT: Draft of proposed CS for HB 322 (unification of local governments)

On further review of the draft of the proposed committee substitute bill furnished yesterday, it appears that additional provisions should be inserted into the draft as follows:

Page 1, line 10, delete "A" and substitute: "Upon petition to the Local Boundary Commission setting out maps, documents and other information satisfying the standards for organized borough incorporation and approval of the petition, a"

Page 2, line 18, delete "Outside an organized borough two or more cities" and substitute: "Upon petition to the Local Boundary Commission setting out maps, documents and other information satisfying the standards for organized borough incorporation and approval of the petition, two or more cities located outside an organized borough and".

The reason for the additional provisions is to insure compliance with Article X, Section 3 of the state constitution requiring that boroughs be established according to standards provided by law. Since the unified municipality authorized under AS 29.68.240-29.68.440 has apparent organized borough status, the standards currently provided by law for organized borough incorporation would seem to require satisfaction as a prerequisite to incorporation of a city or cities as a unified municipality under the new sections to the unification law added by the proposed bill.

A revised draft of the proposed bill reflecting the changes noted above is being prepared; in the meantime I thought it advisable to furnish this memorandum in case the committee is presently considering the draft.

Greg Machyowsky

STATE OF ALASKA THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99801

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

March 24, 1976

TO: Representative Samuel Cotten
Chairman, House Committee on
Community and Regional Affairs

ATTN: Barbara Thomas, Admin. Asst.

FROM: Greg Machyowsky, Legislative Counsel

SUBJECT: Attached bill (relating to unification of local
governments)

The bill request, reflecting the recommendation of the Department of Community and Regional Affairs, calls for the procedures of AS 29.68.240 - 29.68.440 relating to home rule unified municipalities to be adapted and extended to apparently four categories:

- (1) a city outside an organized borough
- (2) a group of cities outside an organized borough
- (3) a group of unincorporated communities outside an organized borough
- (4) a combination of (2) and (3).

It would appear that only (1) and (2) are appropriate for inclusion in the bill because of Article X, Section 10 of the state constitution which limits the extension of home rule government to cities and boroughs. To permit unincorporated communities to assume home rule status immediately through application of the unification law, or cities to include unincorporated communities in a unification plan (without at least prior annexation of the unincorporated communities), would seem to contravene that provision. I've therefore limited application of the requested bill to a city in the unorganized borough and to two or more cities in the unorganized borough having contiguous boundaries and seeking to come under the unification law.

In the very short time available for execution of this request, I have thought it advisable to prepare the bill in draft form only.

GM/dd

A/B - 350

"An Act relating to powers of municipal taxation; and providing for an effective date."

COMMITTEE REPORT

3/26/75

HOUSE

JUDICIARY

Mr. Speaker:

Date _____

The Committee on CARA has had HB 350

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 350 AND THAT
CS FOR HB 350 DO PASS

"and" recommends it BE REFERRED TO THE _____
COMMITTEE

reports it back WITHOUT RECOMMENDATION

"other"

Members signing the Majority report:

<u>[Signature]</u>	_____	_____
<u>[Signature]</u>	_____	_____
<u>[Signature]</u>	_____	_____
<u>[Signature]</u>	_____	_____

Members NOT concurring in the Majority report:

<u>[Signature]</u>	recommends: <u>No Pass</u>
_____	recommends:
_____	recommends:
_____	recommends:
_____	recommends:

[Signature] Chairman

House Committee on
COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes
April 17, 1975

Meeting was called to order at 9:00 to discuss HB 246 and HB 350. Present:

Rep. Cotten	Rep. Mackney
Rep. Ostrosky	Don Clocksin, Legal Services
Rep. Freeman	Phil Wall, Dept. of Revenue
Rep. Davis	Barbara ENglert Thomas, Staff

EXPLANATION OF
SOME AMENDMENTS

Don explained some of his amendments. Ben Marsh wanted to exclude organized boroughs from the unincorporated areas so line 19 was changed to "a municipality" from "an incorporated city". Marsh had been concerned about the area outside Anchorage. Marsh also wanted more than 35% required so Don eliminated the voting district provision and made it within 2 miles of place or established village. The mandatory reference in section 300 is now limited to established villages determined by C&RA. This solves Ose's problem of an establishment along a highway not in the village. The desires of the community are taken into account but not mandatory on the Board. The resident requirement was changed to "an adult resident having a permanent place of abode". Section 200 no longer requires posting of application for reissuance or renewal but will require other kinds of notice.

VOTING DRY

Chairman Cotten wants the bill to be addressed to voting dry or wet but not to revoking individual licenses. Clocksin said there was a legal question on whether you can have organized election in unincorporated area to go dry or not.

"APPEARS"

Rep. Freeman made an objection to part of sec. 300. He doesn't understand how you can mandate a hearing if 35% ask for it and if it only appears that the majority are against it the Board shall not issue the license. Appear wouldn't stand up in court. Rep. Ostrosky noted that the word "appear" is used in the original statute but that is only in the original issuance. Mr. Wall agreed that a definator of appear was necessary. It hasn't been handled well in the present situation. Clocksin suggested striking it and requiring the Board to take a vote. Freeman says why not have an election. Kathryn asks how would you establish the majority?

TAKING A VOTE

Wall said there are two ways: require Board to have regulations or spell it out. He's not sure of the legality of the Board administering vote.

AMENDMENT

Wall--Should be within 2 miles of his permanent place of abode and (instead of or) within 2 miles of the established village.

Wall said that definition of 2 miles within village might be a problem. For instance tok is 6 miles long.

TITLE OF SEC 300

He also suggested changing the Title of Section 300 to PROTEST OF LICENSE ISSUANCE IN AREAS OUTSIDE MUNICIPALITIES.

COMMITTEE SUB.

The staff will have a committee substitute drawn up to be ready for tomorrow.

HB 350 (1080)

The Committee now had before it HB 350. The Chairman wants to delete all of sec. A. He had a request from Anchorage for 5% maximum sales tax. The problem in Anchorage is the city charges 5% but in order to raise in Borough the people have to vote. The city charges 5% on hotels and motels within city but the borough only charges 3%. Want to tax all the transients and tourists the same.

COMMITTEE SUB.

A committee substitute will be drawn up deleting the first section and putting a maximum of 5%. (The committee members signed the report.) Meeting was adjourned at 10:00.

REPORT OUT

House Committee on
COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes
April 9, 1975

Meeting was called to order at 9:00 for discussion of HB 350. Present:

Representative Sam Cotten, Chairman	Oral Freeman
" Kathryn Ostrosky	Glenn Hackney
" Lary Davis	
" Al Ose	

Barbara Englert Thomas, Staff
Andrea Guernsey, Staff
Bob Dozier, State Assessor
Don Berry, Municipal League
Sam Coxom, City Manager, Dillingham

PERSONAL
PROPERTY

HB 350 was introduced by Coxom's request. IN section 1 subsection (a) insert "personal" in front of property. Cotten asked if this would be left to the voters whether to exempt property or not? Mr. Berry said, yes, the people should have the say. The way the bill is written now the voters don't have a say on personal property but do concerning residential property. Voter ratification should apply to the whole section.. Rep. Hackney would like to make that clear. Suggested amendment for subsection (a) of section 1: "Municipalities may by ordinance subject to voter approval at a regular or special election exclude from..."

DEFINITION OF
PERSONAL PROPERTY

Ose asked Mr. Coxom for a definition of personal property: business inventories, mobile homes by ordinance can be real or personal, business equipment, household goods (Dillingham is 1 of 4 communities to tax household goods), boats, cars, airplanes, bank accounts, anything a person owns other than house or land can be considered personal.

SALES TAX

This bill asks for the lid on the sales tax be raised. 3% sales tax is not enough now with inflation. This is permissive legislation requiring the people to vote. Cotten brought up the point that Anchorage was now taxing 5% sales tax. Is that legal? Coxom said that between the borough and the city they could tax a total of 8%. Sales tax in Dillingham brings in \$60, 665.

PROBLEM IN DILL-
INGHAM

Coxom said one problem is inflation. They have a logistics problem with personal property. Inventories are usually depleted after JANUARY 1. Have to fly in everything for six months a year. It costs 9% of the \$60,000 received from personal property tax for administration. If personal property were exempted then there would be no excuse for businesses to be depleted and charging more to have everything flown in. Causing a high rise in prices in this respect. If it costs more than 3% to administer something is wrong.

SALES TAX VS
PERSONAL PROPERTY

Ose objects to the bill because the little man will be paying more in sales tax while the person with a lot of expensive personal property will be getting off. COXSON said he will not be paying more but a different kind. The check is voter ratification. The wage earner won't vote if he is going to get hurt.

COTTEN-What if there was an exemption on food stuffs? It would be optional. The voter will have to assess whether he pays by mill rate or sales tax. (Mill rate in Dillingham is 18.5)

Will the average citizen pay more taxes if you raise the sales tax and exempt personal property? COXSON said yes, if the goods go up. the 3% sales tax will not be enough soon with the rate of inflation.

TAXING BUSINESS
INVENTORIES

Mr. Dozier said that to take care of inventories being depleted on January 1 in order to have small inventory for personal property tax in title 29 53.060.B you may tax on a monthly assessment.

Meeting was adjourned at 10:00 until 1:30.

1:30. Present were Mr. Cotten, Ose, DAVIS and Mrs. Ostrosky. (No tape of this meeting.) Continued discussion of the little man getting socked with a high sales tax.

MEMORANDUM

LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

POUCH Y— STATE CAPITOL
JUNEAU, ALASKA 99811

TO: Representative Anderson

DATE: March 15, 1975

FROM: Greg Machyowsky
Legislative Counsel

SUBJECT: Attached bill relating
to municipal taxation
of personal property
and sales

The attached bill makes the changes necessary as to taxation of personal property under existing law which are called for in Resolution No. 75-2 of the City Council of Dillingham and the communications of Mr. Coxson, the City Manager, furnished with the bill request. Specifically, the bill authorizes a home rule or general law city or borough to exempt ("exclude") all personal property from taxation. In preparing the bill I have assumed that the power to exclude personal property is not intended to override the existing prohibition on municipalities exempting personal property related to oil and gas production set forth in AS 43.56.010. If that assumption is not correct, the bill will of course have to be revised.

The bill also removes the present three per cent limit on sales taxation by cities and boroughs and permits taxation without limit. While it would not seem that a home rule city is bound under existing law by the three per cent limit (as discussed below) the bill removes the limit for general law cities and boroughs as well. If some limit, higher than three per cent is intended, the bill can of course be revised; the city resolution and communications of the manager request no specific limit, however.

In the two drafts of legislation submitted with the bill request (one as to personal property taxation, the other as to sales taxation), a five per cent sales tax limitation is provided; also, as to personal property taxation, authority for a city or borough to tax personal property at a different rate of levy than real property is provided, in addition to the option of a city or borough to exclude all personal property from taxation. If intended, these provisions can be readily incorporated into a revised draft of the attached bill.

The bill is given an immediate effective date, rather than a retroactive effective date of January 1, 1975, as proposed in the draft relating to personal property taxation submitted with the bill request. If the retroactive effective date of the draft is intended to permit refunds of taxes being paid on personal property

MEMORANDUM

Representative Anderson

March 15, 1975

Page Two

for the current fiscal year of a city or borough, it would seem advisable to make specific provisions in the bill for that purpose. I have assumed that the retroactive effective date is primarily intended to insure that cities and boroughs have authority, in currently assessing property for taxation in the upcoming fiscal year, to exclude personal property from taxation. For that purpose, an immediate effective date would seem to suffice.

With respect to the power under present law of a home city outside a borough to levy a sales tax in excess of three per cent, review of the municipal code provisions, and the accompanying statements of legislative intent, indicates that the home rule governing body may now levy in excess of three per cent (with or without the election required of general law cities or boroughs to levy or increase a sales tax). AS 29.43.010 is the controlling provision on the point. (Counsel to the city of Dillingham, in the good and extensive replies to the questions posed by the city manager, apparently differs as to AS 29.43.010 and concludes that specific authority for home rule cities outside boroughs to levy sales taxes in excess of three per cent would have to be accomplished by amendment to present law. The attached bill, in any case, expressly confers authority without percentage limitation to all cities and boroughs).

You may wish to separate the provisions of the bill relating to personal property taxation from those relating to sales taxation and make each subject a separate bill, as is done in the drafts submitted with the request. If so, or if there are other revisions you wish made or questions which I may be able to answer concerning the attached bill, please let me know.



CITY OF DILLINGHAM

P.O. BOX 191

DILLINGHAM, ALASKA 99576

TELEPHONE (907) 842-3483 or 842-3933

March 10, 1975

Representative Nels. A. Anderson, Jr.
Alaska State House of Representatives
Pouch V
Juneau, Alaska 99801

Dear Nels:

Enclosed is a cost breakdown on the administration of the personal property tax collection. As is indicated in the breakdown the major cost is the personnel, the time spent on processing the forms, mailing the forms out, making the adjustments, assisting people in filling out the forms, etc. The percentages of the bookkeepers time and my time are rough estimates and would vary from year to year depending on the number of mailings and the number of property returns that include equipment or inventory that I would have to check out.

One important perspective which is written as a note to the cost breakdown that I think should be emphasized is that litigation is not figured into the cost. One could go either way in estimating litigation. For example, one year there may be one or two persons which have to be taken to court and the following year there may be ten to fifteen. In other words, the number could change; hence the time and the cost would vary also. Since I mentioned the specific costs of collection in the letter that I wrote you before, I have detailed them as accurately as possible in this cost breakdown. I would like to know, also, if Guy was able to find out from the legislative affairs attorneys or the attorney that was coming from New York whether or not the change in the personal property statute was necessary.

I want to thank you for the time and consideration that both you and Guy Van Doren showed Ray Kase and myself while we were in your office. I realize that you are extremely busy now and would appreciate any time that you can spend with the taxation question.

Sincerely yours,


Samuel L. Coxson
City Manager

SEC/lrh

Encl. One

CITY OF DILLINGHAM

ADMINISTRATION COST BREAKDOWN

PERSONAL PROPERTY TAX COLLECTION

362 mailings @ 2 hrs. each 362x2x6.80/hr. =	\$ 4,923.00	
Postage 36.20x3 =	109.00	
362 forms @ .24 each =	87.00	
Delinquency notices	8.00	
Additional postage (115 notices) =	12.00	
	<hr/>	
Total City Clerk	5,139.00	
	<hr/>	
City Bookkeeper .02 of salary	280.00	
Total Clerical	\$ 5,419.00	
	<hr/>	
City Manager's time .02%	340.00	
	<hr/>	
Total Administration	\$ 5,759.00	.09598 of total Revenue Received

In addition to administration costs may be added litigation costs which can not be estimated accurately in advance. Since this is the case, litigation costs would tend to distort the actual costs by interjecting mere potential costs, though they may be large depending on the circumstances.

\$20,000 in personal property (25% cost plus basis)
 \$10,000 annual income

P.P.T. $20,000 \times 0.185 = \$370$

Seller pay of 370
 80% of this income paid for things covered by
 sales tax

$10,000 \times 8 = 8,000 \times 0.3 = \240

Requirements of tax in a variable depending
 on rate and relation relative to individual
 income. The hypothetical's premise are given less
 than the state average more than and about
 portion of the middle income to low-middle income
 state. In the above example the personal property
 is more expensive than the other. By
 this, it is meant that the \$10,000 per year
 income person is having a relatively larger
 portion of his total income go toward the personal
 property tax. Accounting the same middle
 rate and sales tax rate (18.5% and 37%) the
 same would apply to various income levels.
 There is a part of the lower income scale where
~~the tax~~ sales tax becomes the more expensive
 of the two types assuming payment of the lower
 income level from a more middle person.

6,000 personal property
 6,500 annual income
 P.P.T. $6,000 \times 0.185 = \$111$
 Sales Tax $6,500 \times 8 = 520 = \$156$

Sam,

Coxon left this this morning.
He hopes it does what you
want but if it isn't he will
try again. He says to amend
if you must. Leave the personal
property tax on boats, airplanes
but take the nuisances out.

Will be back later to find
out what you think.

Dear Chairman Cotten:

Enclosed is an actual breakdown of revenues that would be received by each tax - personal property and sales. To the taxpayer in Dillingham there is no large net gain in taxes he has to pay. As a matter of fact, the "efficiency" of collection of the sales tax accounts for its larger probable revenue.

Many former rule cities (municipalities) did away with personal property tax when state statutes did not prohibit such acts. None, to my knowledge, have reinstated the personal property tax, although there is no set direct relation between the desirability of the personal property tax and the lack of reinstating it, there seems to be some bases for not wanting to reinstate it whether it be for political or administrative reasons.

Tax shifting from merchants to the wage earner occurs only to a very limited extent. Merchants pass on any personal property tax (tax on inventory) to the consumer. When one considers the problems accompanying the personal property tax: high cost for goods because of inventory depletion to avoid tax on inventory and consequent higher freight costs because air freight rather than ocean freight must be used to replenish inventory; high tax collection costs; one or two lump sum payments instead of small periodic payments throughout the year and lack of built-in inflation adjustment, it seems clear that the proposal is the preferred approach to resolving the problem.

In the case of Dillingham there is very little tax shifting and when the merchant to consumer pass-through is considered, it appears that there is little to oppose in the proposed statute amendments. If permission to change is given in the form

2

of passed amendments, it is probable that Dillingham, at least, and possibly other communities, can more flexibly approach their fiscal problems.

yours respectfully,

Samuel Copson

ENCL. Total Dollar Cost Estimate

Total Dollar Estimate of
Eliminating the Personal Property Tax

Sales Tax if we went back to four percent:

@ \$5,000 per percent $\$5,000 \times 270 \times 12 \text{ months} = \$120,000$

Sales Tax if we stay at three percent:

@ \$5,000 per percent $\$5,000 \times 370 \times 12 \text{ months} = \$180,000$

net difference \$60,000

Personal property tax revenue:

$\$3,079,217 \times 0.185 =$

rather of personal property tax revenue

Total net difference

($\$60,665$)
7,665

* $\$60,665$

* Assume a 100% collection which is not practical.
at least 14-37% of the figure will not be collected
($60,665 \times 0.3 = 18,199.5$)

Partially amount personal property tax
Partially amount sales tax @ 3%

net difference

($58,845$)

60,000
* $1,155$

* Revenue that revenue per percent will
never come when in reality they
will increase with inflation.

Alaska State Legislature

REPRESENTATIVE
SAM R. COTTEN
P.O. BOX 298
EAGLE RIVER, ALASKA 99577

WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA 99811



CHAIRMAN
COMMUNITY & REGIONAL
AFFAIRS COMMITTEE

MEMBER
JUDICIARY COMMITTEE

House of Representatives

April 4, 1975

Gary Thurlow
Borough Attorney
Greater Anchorage Area Borough
3500 East Tudor Road
Anchorage, Alaska 99507

Dear Gary:

Thank you for your letter of March 6. A Bill has been introduced by Andersen and myself which would cover the request you made in your letter. The problem is a different one for Dillingham, as per HB 350, but would also cover your concern. Thanks again.

Sincerely,

A handwritten signature in cursive script, appearing to read "Sam R. Cotten".

Sam R. Cotten

SRC:asg
Enclosure-HB 350



GREATER ANCHORAGE AREA BOROUGH

3500 EAST TUDOR ROAD
ANCHORAGE, ALASKA 99507

DEPARTMENT OF LAW
279-8686

March 6, 1975

Senator Sam Cotten
Chairman
Senate Committee on Community
and Regional Affairs
Pouch V
Juneau, Alaska 99801

RE: Increasing Permissable Municipal Sales Taxes From 3% to 5%

Dear Sam:

Attached are:

1. Draft bill raising municipal sales tax ceiling from 3% to 5%.
2. Borough Memorandum 74-849, dated November 18, 1974 regarding City of Anchorage 5% levy on hotel-motel rentals and placement of issue on borough ballot for non-areawide (outside of cities) borough vote.
3. Resolution No. RE 74-158A adopted December 30, 1974, placing borough non-areawide hotel-motel tax on ballot (ballot proposition was approved by the voters on February 11, 1975; 4,218 yes, 2,331 no).
4. Resolution No. RE 74-159 adopted December 30, 1974 requesting change of state law so that general law municipalities can charge same sales tax as home rule cities not to exceed 5%.

The foregoing are self-explanatory.

We currently have an anomaly in the Anchorage area as the City of Anchorage now levies a 5% hotel-motel tax under its powers as a home rule city. The Anchorage Borough is a general law municipality and it, as well as other general law boroughs and cities, are limited to a 3% sales tax. The attached bill would put general law municipalities in the same position as home rule municipalities.

A number of Alaska cities now levy sales taxes in excess of 3%.

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I anticipate that the Borough Assembly would adopt a 5% hotel-motel tax similar to that of the City of Anchorage hotel-motel tax after any legislative change of the 3% ceiling. The voters in the Borough have approved imposition of a 5% hotel-motel sales tax levy should the Legislature change existing law.

I am sending a similar letter to Senator Pat Rodey, Chairman of the House Committee on Community and Regional Affairs.

We will testify on the bill if you so desire.

Sincerely yours,

A handwritten signature in cursive script that reads "Gary Thurlow". The signature is written in dark ink and is positioned above the typed name and title.

Gary Thurlow
Borough Attorney

GT:msm
Encl.

cc: Lee MacAnerney, Commissioner, Dept. of Community & Regional Affairs.
Donald Berry, Alaska Municipal League
Norman Levesque, Borough Director of Finance
Douglas Weiford, City Manager, City of Anchorage

GREATER ANCHORAGE AREA BOROUGH

RESOLUTION NO RE 74-158A

A RESOLUTION PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF THE GREATER ANCHORAGE AREA BOROUGH, ANCHORAGE, ALASKA, OUTSIDE OF CITIES, THE QUESTION OF WHETHER THE BOROUGH ASSEMBLY SHOULD ENACT A HOTEL AND MOTEL RENTAL TAX IN THE AMOUNT NOT TO EXCEED FIVE PERCENT (5%) AT THE REGULAR ELECTION TO BE HELD ON TUESDAY, FEBRUARY 11, 1975.

WHEREAS, AS 29.53.415 and AS 29.53.420 permit a Borough to levy and assess a sales tax not exceeding three percent (3%) of such amount allowed by laws, whichever is the less, on sales and rentals if the electorate approves the imposition of the tax by a majority of votes cast, and,

WHEREAS, there is a need for additional sources of revenue to meet the expanding needs of the Greater Anchorage Area Borough, and,

WHEREAS, the voters of the City of Anchorage have authorized the imposition of such a tax at five percent (5%) of sales and rentals of hotels and motels within the City, and,

WHEREAS, the Greater Anchorage Area Borough wishes to determine whether the electorate favors the imposition of a tax upon the amount charged as room rentals in motels and hotels;

NOW THEREFORE BE IT RESOLVED by the Greater Anchorage Area Borough Assembly:

1. That it is hereby declared to be in the public interest to establish a hotel and motel room rental tax in the amount of not to exceed five percent (5%) on motel and hotel accommodations to transients occupying rooms for fewer than thirty (30) days.

2. That at the regular election to be held on Tuesday, February 11, 1975, the following proposition shall be submitted to the qualified voters of the Greater Anchorage Area Borough outside of cities for approval or rejection:

PROPOSITION NO. 6

Shall the Greater Anchorage Area Borough impose in the area outside of cities a tax on hotel-motel rentals of accommodations to transients occupying rooms for fewer than thirty (30) days in an amount not to exceed at any time five percent (5%) of such rentals, or such percent as is allowed by law, whichever is less.

YES 121

NO 2,531

Upon passage of the above proposition, the Borough Assembly may by appropriate Ordinance enact a motel-hotel rental tax in an amount not to exceed five percent (5%) of such rentals or such amount as is allowed by law, whichever is less, and may, from time to time, modify the amount of the tax so long as it does not exceed five percent (5%) of hotel-motel rentals or the amount allowed by law, whichever is less.

PASSED AND APPROVED by the Assembly of the Greater Anchorage Area Borough on this 30th day of December, 1974.

Edward C. Willis
Presiding Officer

ATTEST:

Phyllis Eileen Banks
Borough Clerk *Deputy*

APPROVED this 30th day of December, 1974.

John R. Podewitz
Borough Mayor

ap 12-30-74

REQUESTED BY ASSEMBLYMAN MARSH

GREATER ANCHORAGE AREA BOROUGH

RESOLUTION NO RE 74-159

A RESOLUTION REQUESTING THE STATE LEGISLATURE TO AUTHORIZE BOROUGH TO IMPOSE A TAX IN THE AMOUNT OF NOT TO EXCEED FIVE PERCENT (5%) OF HOTEL AND MOTEL SALES AND RENTALS.

WHEREAS, AS 29.53.415 and AS 29.53.420 permit Boroughs to levy and assess a sales tax not exceeding three percent (3%) on sales if the electorate approves the imposition of the tax by a majority of votes cast, and,

WHEREAS, home rule cities in Alaska often impose sales taxes, including sales taxes on hotel and motel sales and rentals, in an amount of up to five percent (5%) and,

WHEREAS, a more uniform and equitable taxation policy can be achieved if home rule municipalities and boroughs within which they are located levy sales taxes in the same amount, and,

WHEREAS, the voters of the City of Anchorage, a home rule city, have authorized the imposition of a sales tax of five percent (5%) on hotel and motel sales and rentals and,

WHEREAS, the Assembly of the Greater Anchorage Area Borough wishes to impose a sales tax of five percent (5%) on hotel and motel sales and rentals if such levy is authorized by law and if such levy is approved by a vote of the people.

NOW THEREFORE BE IT RESOLVED by the Greater Anchorage Area Borough Assembly:

1. That the Legislature is requested to amend AS 29.53.415 to permit voters of any municipality to authorize the imposition of a sales tax in an amount not to exceed five percent (5%) of hotel and motel sales and rentals.

2. That copies of this Resolution be sent to the Chairman of the House Committee on Community and Regional Affairs, to the Chairman of the Senate Committee on Community and Regional Affairs, and to the Commissioner of Community and Regional Affairs.

PASSED AND APPROVED by the Assembly of the Greater Anchorage Area Borough on this 30th day of December, 1974.

Edward C. Willes
Presiding Officer

ATTEST:

Mary Coffey
Borough Clerk

APPROVED this 30th day of December, 1974.

John R. Rodenburg
Borough Mayor

IN THE SENATE

SENATE BILL NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act increasing sales tax which borough
may levy from 3% to 5% and providing for
an effective date."

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

Section 1. Subsection (a) of Section 29.53.415 is amended to
read:

- (a) A borough may levy and collect a sales tax not exceeding
five [three] percent on sales or rents, and on services
within the borough. The sales tax may apply to any or
all of these sources. Exemptions may be granted by ordin-
ance.

Sec. 2. This Act takes effect immediately in accordance with
AS 01.10.070(c).

Legal Department

November 18, 1974

Hotel-Motel Tax Levy

The attached Resolutions were requested by Assemblyman Ben Marsh. They are modeled after a City of Anchorage Resolution on the same subject.

State law (AS 29.53.415) places a 3% ceiling on any sales tax levied by a borough. Accordingly, one Resolution has been drafted which provides for a 3% levy instead of the 5% levy approved by the City of Anchorage voters for imposition within the City.

Also attached is Resolution No RR 74-158A which provides for the imposition of a motel-hotel tax not to exceed five percent (5%) or the amount allowed by State law, whichever is less. Approval by the voters of the proposition set forth in this Resolution would permit an increase to the 3% levy now permitted by State law or such higher amount as might later be permitted by a change in State law not to exceed 5%.

Also attached is Resolution No RR 74-159 urging the State legislature to change the 3% ceiling on borough sales taxes to 5%.

Respectfully Submitted,

Jack Roderick
Borough Mayor

MEMORANDUM

LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

POUCH Y — STATE CAPITOL
JUNEAU, ALASKA 99811

TO: Rep. Cotten, Chairman,
Community and Regional
Affairs Committee

DATE: April 9, 1975

FROM:

SUBJECT: HB 350

Greg Machynowich, Legislative
Counsel

I note that HB 350 has a typographical omission; at p. 1, line 11, "personal" should be inserted before "property" where the latter word first appears. A committee substitute bill, or amendment, can readily be prepared to make this correction, of course.

CHAIRMAN:
NELS A. ANDERSON, JR.

STAFF ASSISTANT:
GUY VANDOREN

POUCH V
JUNEAU, ALASKA 99811



VICE CHAIRMAN:
TED SMITH

SECRETARY:
BETH O'DONNELL

PHONE: 465-3715
465-3781

House Resource Committee

FRED BROWN
MIKE HERSHBERGER

ALVIN OSTERBACK

LESLIE (RED) SWANSON

DICK ELIASON

LEO RHODE

JAMES HUNTINGTON

March 25, 1975

Representative Sam Cotten
Chairman- House Community and Regional Affairs
Pouch V
Juneau, Alaska 99801

Dear Representative Cotten:

A bill relating to municipal taxation of personal property and sales will be referred to your committee. This bill was from a request by the city of Dillingham. They would like the initial hearing to be held on the 31st of March as they will have a representative in Juneau at that time. If this is not possible, would you notify Mr. Sam Coxem, City Manager, Dillingham, P.O. Box 191, Dillingham, Alaska 99576 as to when the bill will be scheduled. Thank you.

Sincerely,

A handwritten signature in cursive script that reads "Guy A. Van Doren".

Guy VanDoren
Staff Assistant
House Resources Committee

GVD/bd

*9/25/75
The bill available to all will
start 4/9 at 9am*

CITY OF DILLINGHAM

BOX 191 • DILLINGHAM, ALASKA 99576 • PHONES 842-3483 OR 842-3933

MESSAGE

TO [Sam Cotter, Chairman]
House CRA Committee

SUBJECT alternate strategy to
HB 350

DATE 4/13/75

- Dear Sam:

I didn't get a chance to write this Thursday night and leave in your office. If HB 350's provisions for personal property exemption does not fly, then I suggest an alternate approach. Such an approach would not remedy the total set of problems with the tax but would go a long way toward removing the "nuisance" part of the tax. Collection cost and efficiency would be increased. As over, the amendments would only be persuasive.

BY Sam Cotter

REPLY

DATE

SIGNED

ALTERNATIVE TO ORIGINAL PERSONAL PROPERTY TAX
AMENDMENT REQUEST

Should the committee not accept the original proposed amendments, then I would request that the committee consider what I believe to be "nuisance" aspects of present statutes.

Delete 29.53.025 (b) (1)

again, the emphasis is on the permission aspect of the current statute.

Rationale

- a. If the income property opt. to tax under the current statutory exemption boats would bring in a relatively minimal amount of revenue. Indeed, there may even be a revenue loss if complications in collection are encountered. This is a possibility since jurisdiction or legal questions still apply. (We discussed this Thursday night).
- b. If the "full and true value" assessment and levy is used, then the tax revenue is much more substantial but the tax also becomes increasingly more difficult to collect. By this I mean that there are jurisdictional or legal problems with levying the tax on boats. Since there is a jurisdictional or legal question, then litigation costs may and are anticipated to cut deeply into the possible revenue from taxing boats. In fact, there are no clear precedent court cases to ease the situation and many cases would ensue. The net result would be the assessment of an unproductive item of personal property.

Sam -

HB 350

Talking to Bill Barrier, he said prior to 1972 (Municipal Code passage) personal property tax was an option only for home rule cities. The Municipal Code made it mandatory for all. ~~Bill used to be the~~ except for those already excluding it got grandfather's rights. This was done for uniformity of tax laws. Bill used to be the attorney for Juneau and he said the reason there's no car tax here is that they only ever collected 60% of the revenues.

On the sales tax, Don Berry said they have no real position in favor of this.

A/B - 352

HB 352

Why does the Dept H&SS
approve the design?

According to AS 46.030.090 -
-110

the Dept. of Environmental
Conservation has respon-
sibility for waste
disposal plans and
permits

Call Morley

HB 352

Does munic. have to run & own the facility?

(ie Juneau does private concessions count
Why H & SS

bill of certifying whether a munic has an adequate
solid waste system

Problems -

definition

maintenance vs. construction v. both

1145 - providing allows for franchising?

STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

DIVISION OF LOCAL GOVERNMENT ASSISTANCE

JAY S. HAMMOND, Governor

POUCH B - JUNEAU 991 1

May 2, 1975

The Honorable Samuel R. Cotten
Alaska House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Representative Cotten:

In response to your request for comment on HB 205, 352, and 445, all of which would provide revenue sharing payments to municipalities carrying out certain solid waste handling responsibilities, I should like to offer a number of suggestions.

In view of the forthcoming legislative study on the total problem of revenue sharing and the various formulas which might be used to allocate revenue sharing payments, I recommend delay in adding new elements to this system until the second session of the Ninth Legislature. If you do elect to proceed with development of legislation at this time, however, the Department suggests consideration of certain desirable features which appear in each of the three measures.

Because of the lack of attention generally accorded this universal municipal problem, the Department does favor stimulation of proper municipal solid waste management through revenue sharing payments. Recognizing the economies of scale in handling refuse, the Department further favors the concept of a sliding scale of payments such as that set forth in HB 445. A fixed amount applicable to all municipal claimants would generally be inadequate for the purpose in smaller municipalities and could represent a substantial windfall to Alaska's larger cities and boroughs.

For consistency with other revenue sharing entitlements, the Department suggests that payment be made for operating or having operated solid waste disposal programs such as the suggestions in HB 205 and HB 445. In contrast, HB 352 appears to grant a one-time payment for construction of a facility. In that proper solid waste disposal may take a variety of forms such as incineration, sanitary land fill, or waste reclamation, facility construction might occur only once or it might be construed to be a continuous process in the case of a land fill.

May 2, 1975

The Department recommends that the wording of the finally approved bill be such that a municipality employing the services of a franchised private scavenger for solid waste handling as distinct from performance of the collection and disposal function by municipal forces would qualify for revenue sharing aid. Municipalities relying on private contractors would not appear to qualify under HB 352 and might not under HB 445.

The Department recommends inclusion of a firm criterion for compliance such as the wording in HB 445 that the municipal program be approved by the Department of Environmental Conservation. Presumably, the Department of Environmental Conservation would be expected to develop regulations, if it has not already done so, to reduce the amount of controversy regarding adequacy of sanitary handling of solid wastes.

The final bill should cover a situation where one municipal government operates the collection system (e.g., City of Fairbanks) and another the disposal operation (e.g., Fairbanks North Star Borough). It is suggested that the wording in such a case exclude the possibility that the same tax payer could entitle both governments to a revenue sharing payment.

If the intent of the Legislature is to provide a revenue sharing payment for construction of a "facility," presumably the 50% State ceiling of HB 352 is consistent with the idea of the 25% ceiling for hospital construction in the present law. It is not clear, however, what purpose might be served by section (7) (B) of HB 352, wherein 25% local participation is required.

The Department recommends against a percentage ceiling for revenue sharing payments in the operational phase of solid waste management. Revenue sharing payments for fire, police, or highway maintenance, may or may not adequately provide the actual costs of these services to a recipient municipality and it seems reasonable that payment for solid waste management similarly would not necessarily fully cover all costs involved.

In summary, I recommend development of a bill which will provide adequate stimulus to local governments to plan and manage this important municipal problem. Implicit in such a program will be an adequate definition of compliance, either in law or in regulations, so that the Department will not devote an undue amount of time to debate with local officials on adequacy of the local program for handling and disposal of wastes.

Sincerely,


Lee McAnerney
Commissioner

HB 352

NOT.

Fest

Pres.

5/1

Rep Bradner
Chenoweth

X

X


STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH Y · STATE CAPITOL
JUNEAU, ALASKA 99811
907 465 3800

MEMORANDUM

April 1, 1976

SUBJECT: Low Water Waste Facilities
TO: The Honorable Sam Cotten
FROM: A. R. Latham
Research Analyst 

Perhaps you would like to distribute this to the members
of HCRA.

ARL:jm
Attachments

H/B. 359

"An Act making a special appropriation to the Department of Community and Regional Affairs; and providing for an effective date."

COMMITTEE REPORT

3/28/75

HOUSE

FINANCE

Mr. Speaker:

Date _____

The Committee on C&RA has had HB 359

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 _____ 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

House Committee on
COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes
April 25, 1975

Meeting was called to order at 9:00 to discuss CS for HB 88. Present:

Rep. Cotten	Barbara Englert Thomas, Staff
Rep. Hackney	Andrea Guernsey, Staff
Rep. Ostrosky	Don Berry, Municipal League
Rep. Freeman	Dennis Robertson, Public Safety (late)
Rep. Davis	Mike Miller, Sponsor, (late)

Mr. Hackney wanted to hear from Mr. Robertson on the vehicle inspection law. Perhaps this could be worked in with that in some way.

Mr. Davis would like to see the people vote instead of by ordinance. Hackney thinks it might be inequitable because trucks would be paying for something they wouldn't collect on.

REPORT OUT

Hackney makes a motion to pass out with individual recommendations. So moved. (435)

PIPELINE IMPACT
(510)

The Committee talked about pipeline impact funds for a minute. Hackney would like to see the funds on a loan basis. The municipality will be able to tax the pipeline property for years to come.

Freeman has objected to monies from the beginning. Thinks it's a rip off. Relates the example of Valdez.

VEHICLE INSPECTION
(745)

Dennis Robertson gave a summary of the Vehicle Inspection law situation. They have developed a whole new Title 28 to be introduced at end of session.

Meeting was adjourned at 10:00.

HB 290, 291

Chairman cotten asked for the consensus of the Committee on these two bills. The members wanted them left in Committee until next year.

HB 377

Freeman doesn't see any reason for the bill. The rest of the Committee concurs. DEAD.

SB 125

This is the same one as HB 172 passed out earlier. Hershberger suggests leaving this one in committee and letting HB 172 go through the stages. Let a representative have this one. REST of the members concur.

HB 293

The Chairman received a telegram from Kodiak who are opposed to this bill. Freeman said that the Anchorage city and borough are interested. Want to wait for more testimony on this one.

HB 259

Hackney wants to study for the rest of the session. Cotten said the sponsor doesn't want to see it again. Dead for now.

HB 218
SB 209

Cotten said there was a constitutional problme with these bills. Dead for now.

HB 322, 359

Hackney wants rep. Specking to come. Also Chenoweth. These bills will be taken up tomorrow.

ADJOURN

Meeting was adjourned at 10:00.

House Committee on
COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes
April 22, 1975

Meeting was called to order at 9:00 to discuss HB 322, HB 359. Present:

Rep. Cotten	Rep. Ose
Rep. Ostrosky	Andrea Guernsey, Staff
Rep. Freeman	Barbara ENglert Thomas, Staff
Rep. Davis	
Jack Chenoweth, Director, Local Government	
Keith Specking, Sponsor	
Rep. Huntington	

STATEMENT BY
CHENOWETH

HB 322

Mr. Chenoweth started by saying his department doesn't look kindly upon this bill, which says that a Home rule city can move to reclassify as a unified municipality. This is aimed at Valdez, which already has a substantial tax base. It's not so different from the procedures already in operation to warrant a different formula. There is no mechanism in the bill to form a Board to form a charter. Trying to step outside present provisions.

FREEMAN'S
OPINION

Rep. Freeman asked if one could form a borough and vote on unified municipality simultaneously. No, it is a separate issue. Oral doesn't like the bill. It seems like special legislation like Eagle River and it isn't the proper way to go.

DIFFERENCE?

Cotten asked what would be different if Valdez reclassified? Jack said they could not be put in another borough. They don't really have much to gain. They already have a \$700 million tax base. These communities should have a cooperate effort instead of each going own way.

SPECKING COMMENTS

Rep. Specking now came in and made a few comments. He said the request came from the City of Valdez. He then read a memo concerning this from Greg Machowatz of Legislative Council. Copies were distributed to the Committee. Valdez area is large and as far as he knows they don't plan to expand their boundaries.

Freeman thinks this is a selfish move on Valdez's part. Also it would be unreasonable not to put Valdez and Cordova in the same governmental unit.

FREEMANS OPINION

They are already doing well with impact monies and taxable property. Specking said it would be unreasonable to combine Cordova and Valdez. The idea will never fly, they don't want to be associated with each other.

Specking said the way of life in Valdez has been destroyed. Valdez needs new school and their charter precludes them from bonding. This is not special legislation like Eagle river because it applies to everywhere and not just one area.

2ND CLASS BORO?

Cotten asked why they don't apply for second class borough status. They could use service areas and get forest receipts. they probably fear that the Boundary Commission would not look favorably upon them. Jack doesn't know what the Commission would do. Personally, Jack would turn them down. They can already do what they're doing as a city.

HB 359

The Committee now took up HB 359 since Specking was the sponsor of this bill also. He said the subject needs to be looked at by the Legislature. the \$2million was plucked out of the air and will be adjusted in Finance to what is reasonable.

SEC. 2

Secion 2 places stringent controls. Bill is for emergency needs and not goodies bag. Opposed to the use of impact funds lowering taxes. He has no objection to putting in restrictive language in that capacity.

IMPACT FUNDS

Jack said this is the only sum that has been requested He submitted for \$10 million to continue the program through next year but it was turned down. The Governor wants impact monies to go the foundation program for education. No continuation of grant programs.

Specking put the bill in so the Legislature would at least address the problem.

ADJOURN

Meeting was adjourned at 10:00.

AB 359

not.

Pres.

Test

4/22

Speckling
Chenoweth
m.l.

X
X
X

HB-377

HB 290, 291

Chairman cotten asked for the consensus of the Committee on these two bills. The members wanted them left in Committee until next year.

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HB 218
SB 209

Cotten said there was a constitutional problme with these bills. Dead for now.

HB 322, 359

Hackney wants rep. Specking to come. Also Chenoweth. These bills will be taken up tomorrow.

ADJOURN

Meeting was adjourned at 10:00.

House Committee on
COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes
April 15, 1975

Meeting was called to order at 9:15 to discuss HB 377. Present:

Reps. Ostrosky, Ose, Davis and Freeman.

Andrea Guernsey, Staff
Barbara Englert Thomas, Staff
Rep. Guy, Sponsor
Sandy Williams, Engineer, Dept of Hiways
Ray Shumway, Designer, Dept of Hiways
Cathy Jacobson, Natural Resources

BACKGROUND

Rep. Guy started by giving the background and purpose behind this bill. He said the intent is not to delete other requirements but to supplement them. In his region during construction some gravel was removed which had detrimental effects on the riverside and private land was disturbed without the consent of the owner. There will be increasing construction activities in this region.

PRIVATE LAND

Rep. Davis is worried about a provision covering the private land owner. Guy and Freeman say you don't have to. Freeman wants to insert "public land" on page 1, line 13, after the word "gravel". Private land is already covered in the law. Adjacent land in line 20 covers both public and private lands. Rep Ose said that you could just bring a law suit against them if they disturbed your land without your permission but Guy said that is sometimes difficult out in the bush. People are just now learning how to do these things.

POLITICAL SUB-DIVISION

Rep. Ostrosky asked about the contracting political subdivision. This would be a municipality if they were requiring the removal of the gravel. It is pretty much defined on line 14.

EIS

Mr. Williams said they were not here to give testimony but to find out the background of the bill. Although Mr. Shumway did make a few comments. The dept. distributes Environmental Impact Statements to the area concerned and they have a chance to comment. They contact the unincorporated areas through the regional offices. They also hold public hearings. Usually 2 hearings carried out in the area already required.

PERMITS

Shumway stated that it was already the general practice of the detp. to obtain a permit. They develop a mining plan which they submit to the appropriate agency and then receive a permit. This existing practice is in compliance with the bill. There are cases when the State does not obtain the permit but let the contractor do it. the time frame to get a permit is often 9-18 months and letting the contractor do it is often faster. Could result in a delay in projects if State always has to get permit.

Guy emphasized that periodic inspection is important. Not n ow done in the Kuskokwim area.

Meeting adjourned at 10:00.

4/15

HB 377

Notified Present Testified

Alaska Municipal League

X

C&RA

X

Department of Public Works 6-6411
Ben Pollard

X

Department of Highways 304-2121
Bruce Freitag

X

Dept. Natural Resources
~~Contractors Association~~ Cathy Jacobson

X

X

Rep. Gray

X

X

X

Mark Jensen, (Deceased, 16)
Associated General Contractors

Hiways - Wallace Williams (Sandy)
Dept. ~~Highways~~ - Ray Shumway

X

/

H/B - 445

SOLID WASTE BILLS
ATTENDANCE

Meeting was continued with all members of the Committee still present plus: Jim Anderegg, Dept. of C&RA, Jerry Rienvon, deputy Commissioner of Environmental Conservation, Red Swanson, Sponsor of HB 205, Chet Strohmeyer, Acme Disposal.

CSSB 127

Before discussing solid waste bills, the Committee looked over the committee substitute for SB 127 which had been prepared for today and it was passed out.

HB 445

Mr. Rienvon said there were two things at issue here: revenue and intent. The Dept. supports the intent but the issue of funding transcends the dept. Disposal is a real problem especially in the bush and rural areas. The sliding fee scale is a good concept. Fiscal note around \$1,500,000.

FISCAL NOTE

EXAMPLE OF
HYDABURG

Rep. Hackney asked what a place like Hydaburg with a population of 300-400 would be able to do with the \$4,000 the bill would give them. Jerry said in this case they would probably use it for a driver for a cat to bury the land fill. A small amount will improve the situation somewhat.

REP. OSE

Rep. Ose objects to Anchorage getting the 1/2 million they would get because they are already doing a good job. Oral said the sliding fee scale favors the small communities. The facilities that Anchorage and Fairbanks have the people paid for. Oral thinks it's a good bill, but perhaps there should be a provision making it mandatory to use the money for solid waste.

FREEMAN

HB 205

Rep. Swanson stated that while in the 7th Legislature he saw that the problem existed and so decided to introduce this bill. He represents 30 small communities in interior who have a real problem. He has an idea--to get the Hiway dept. to let the small communities use their old equipment, and with the \$5 from revenue sharing the communities will be able to take care of their problem.

CSSB 90 (side 2)

Cotten pointed out that CSSB90 transfers state equipment to political subdivisions. Will take up that bill tomorrow.

JIM ADEREGG
C&RA POSITION

The dept. is aware of the review of revenue sharing that's supposed to take place this summer so they don't want to push anything right now, but they do favor solid waste. They like the sliding fee scale in HB 445, a fixed amount is not good. The dept. recommends wording that will allow the municipalities to use private contractors. Also set criteria for compliance, and wording to cover the situation in double governments. They recommend against state ceiling on revenue sharing.

Rep. Swanson said the issue in his district was disposal and not collection. Jerry agreed.

Chairman Coten wants to try to put some of these bills together. Freeman likes the approach in HB 445.

Meeting was adjourned at 9:40.



National Solid Wastes Management Association

1730 RHODE ISLAND AVENUE, N.W. • SUITE 800 • WASHINGTON, D.C. 20036
TELEPHONE (202) 659-4613

EUGENE J. WINGERTER
EXECUTIVE DIRECTOR

March 27, 1975

101 x ac

Dear Chairman:

The National Solid Wastes Management Association was established 12 years ago as a professional and industry organization for the solid waste management field. NSWMA's membership spans virtually all aspects of the solid waste management equipment and service field. Its membership is comprised of over 2,000 private refuse collection, processing and disposal firms, and public officials. The business activities of these firms encompass the collection and disposal of all types of wastes materials, the processing and reclamation of secondary materials, the specialized handling of commercial/industrial wastes and the manufacture of mobile collection, stationary compaction, processing and landfill equipment.

According to a survey conducted by the U.S. Environmental Protection Agency, the private sector of the waste management field handles 3/4ths of the nation's wastes-- including 90% of the commercial/industrial wastes generated and 50% of the residential wastes handled. The NSWMA is vitally concerned with legislation which impacts on the solid waste management and resource recovery activities of this industry. Legislation dealing with the disposal, recovery and handling of toxic and hazardous wastes as well as vehicle weight and noise emission limitations, and safety regulations that would directly affect the operations of many solid waste management firms in your state.

NSWMA has, and is, working closely with many state legislative and regulatory officials in developing and reviewing those programs which would impact significantly on this industry. The NSWMA Institute of Waste Technology (IWT) encompasses the Sanitary Landfill Committee, the Chemical Waste Committee, as well as the Resource Recovery Committee--all consisting of members active in their respective Committee's field of interest. The expertise of the IWT--sanitary landfill planning, design and operation; toxic and hazardous waste handling and disposal; recovery and processing of wastes--has and can be extended to serve as a center of coordination for both government and industry organizations.

The NSWMA Waste Equipment Manufacturers' Institute (WEMI) covers in its program area the development of equipment safety standards, equipment rating criteria and market statistics reporting.

If your committee is developing or reviewing legislative proposals which address these areas of the waste management field, NSWMA would extend to you the expertise of its members and staff in the review of these measures.

We would appreciate receiving notification of upcoming meetings or public hearings.

Sincerely yours,

Warren T. Gregory
Director, State Legislative Programs

WTG/js

- INSTITUTE OF WASTE TECHNOLOGY
 - CHEMICAL WASTE COMMITTEE
 - NATIONAL SANITARY LANDFILL COMMITTEE
 - RESOURCE RECOVERY COMMITTEE
- WASTE EQUIPMENT MANUFACTURERS INSTITUTE

STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

DIVISION OF LOCAL GOVERNMENT ASSISTANCE

POUCH B - JUNEAU 99811

May 2, 1975

JAY S. HAMMOND, Governor

The Honorable Samuel R. Cotten
Alaska House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Representative Cotten:

In response to your request for comment on HB 205, 352, and 445, all of which would provide revenue sharing payments to municipalities carrying out certain solid waste handling responsibilities, I should like to offer a number of suggestions.

In view of the forthcoming legislative study on the total problem of revenue sharing and the various formulas which might be used to allocate revenue sharing payments, I recommend delay in adding new elements to this system until the second session of the Ninth Legislature. If you do elect to proceed with development of legislation at this time, however, the Department suggests consideration of certain desirable features which appear in each of the three measures.

Because of the lack of attention generally accorded this universal municipal problem, the Department does favor stimulation of proper municipal solid waste management through revenue sharing payments. Recognizing the economies of scale in handling refuse, the Department further favors the concept of a sliding scale of payments such as that set forth in HB 445. A fixed amount applicable to all municipal claimants would generally be inadequate for the purpose in smaller municipalities and could represent a substantial windfall to Alaska's larger cities and boroughs.

For consistency with other revenue sharing entitlements, the Department suggests that payment be made for operating or having operated solid waste disposal programs such as the suggestions in HB 205 and HB 445. In contrast, HB 352 appears to grant a one-time payment for construction of a facility. In that proper solid waste disposal may take a variety of forms such as incineration, sanitary land fill, or waste reclamation, facility construction might occur only once or it might be construed to be a continuous process in the case of a land fill.

May 2, 1975

The Department recommends that the wording of the finally approved bill be such that a municipality employing the services of a franchised private scavenger for solid waste handling as distinct from performance of the collection and disposal function by municipal forces would qualify for revenue sharing aid. Municipalities relying on private contractors would not appear to qualify under HB 352 and might not under HB 445.

The Department recommends inclusion of a firm criterion for compliance such as the wording in HB 445 that the municipal program be approved by the Department of Environmental Conservation. Presumably, the Department of Environmental Conservation would be expected to develop regulations, if it has not already done so, to reduce the amount of controversy regarding adequacy of sanitary handling of solid wastes.

The final bill should cover a situation where one municipal government operates the collection system (e.g., City of Fairbanks) and another the disposal operation (e.g., Fairbanks North Star Borough). It is suggested that the wording in such a case exclude the possibility that the same tax payer could entitle both governments to a revenue sharing payment.

If the intent of the Legislature is to provide a revenue sharing payment for construction of a "facility," presumably the 50% State ceiling of HB 352 is consistent with the idea of the 25% ceiling for hospital construction in the present law. It is not clear, however, what purpose might be served by section (7) (B) of HB 352, wherein 25% local participation is required.

The Department recommends against a percentage ceiling for revenue sharing payments in the operational phase of solid waste management. Revenue sharing payments for fire, police, or highway maintenance, may or may not adequately provide the actual costs of these services to a recipient municipality and it seems reasonable that payment for solid waste management similarly would not necessarily fully cover all costs involved.

In summary, I recommend development of a bill which will provide adequate stimulus to local governments to plan and manage this important municipal problem. Implicit in such a program will be an adequate definition of compliance, either in law or in regulations, so that the Department will not devote an undue amount of time to debate with local officials on adequacy of the local program for handling and disposal of wastes.

Sincerely,


for Lee McAnerney
Commissioner



Matanuska-Susitna Borough, Inc.

BOX B, PALMER, ALASKA 99645 • PHONE 745-3246

DEPARTMENT OF ADMINISTRATION

May 7, 1975

State Representative Samuel R. Cotten
Chairman
House Committee on Community and Regional Affairs
Pouch V
Juneau, Alaska 99801

Subject: HB 445

Dear Representative Cotten:

This Borough is extinguishing its non-property tax revenues in its solid waste disposal efforts. If State aid is not forthcoming a property tax will have to be levied beginning fiscal 1977.

Unfortunately, property tax incidence has very little relation to benefits received from a solid waste disposal program. Thus, a broader financial base - namely State aid - is in order.

We favor HB 445.

Sincerely,

Wesley M. Howe
Borough Manager

WMH/kas

cc: Don Barry, Alaska Municipal League



ALASKA STATE

MEDICAL ASSOCIATION

1135 W. Eighth Avenue • Anchorage, Alaska 99501 • (907) 277-6891

May 6, 1975

Representative Cotton
Chairman, Community & Regional
Affairs Committee
House of Representatives
State of Alaska
Juneau, AK 99801

Dear Representative Cotton:

We understand that HB 445 - legislation relating to state aide to boroughs for solid wastes management has been referred to your Committee for consideration.

As you may know, this topic is of some considerable interest to the State Medical Association. We have attached some information which we feel may be of help to you and your Committee and their deliberations about this bill.

For reasons which are fairly obvious, we certainly do support some type of assistance to boroughs who are trying to manage solid waste in an appropriate way. We will very much appreciate your Committee giving this topic serious consideration and taking some positive action to assist small communities in carrying out this work. If we can answer further questions or provide additional information, please let us know.

Sincerely,

Carolyn Brown, M.D.
Chairperson, Legislative Committee

cB:ldh

Enclosures

45445

5/1

Rep. Susan Collin

Dept. of Environmental Conservation (6-6721)

C&EA (Chenoweth)

Municipal League

Natural Resource Management

See list 10/23/85-4

Notified

Present

Finalized

X

X

X

X

X

→ Guy Reinwand, Deputy Com.
Lance Elphie, Solid Waste

X

X

HESS Lloyd Morley (3120) X

Cher Stroymeyr, Acme disposal
(at request of NSUMA)

X

H/B-466

"An Act relating to special appropriations for financial assistance to oil-development-impacted municipalities and for extraordinary state services; and providing for an effective date."

COMMITTEE REPORT

4/30/75

HOUSE

FINANCE

Mr. Speaker: -

Date 5-1

The Committee on CRRA has had HB 466

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 _____ 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:

<u>[Signature]</u>	_____	_____
<u>[Signature]</u>	_____	_____
<u>[Signature]</u>	_____	_____
_____	_____	_____

Members NOT concurring in the Majority report:

<u>[Signature]</u>	recommends: <u>DO NOT NEVER, NO WAY PASS THIS BILL</u>
_____	recommends:
_____	recommends:
_____	recommends:
_____	recommends:

[Signature] Chairman

TAPE #12
1040-1504
side 1

House Committee on
COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes
May 1, 1975

Meeting was called to order to discuss HB 466 at 8:30. Present:

Rep. Cotten	Barbara Englert Thomas, Staff
Rep. Davis	Andrea Guernsey, Staff
Rep. Ose	Don Berry, Municipal League
Rep. Hackney	Commissioner McAnerney, C&RA
Rep. Freeman	

HB 466 Chairman Cotten sponsored this bill because he felt the impact monies were being handed out at an inequitable rate. There's 2 1/2 million left.

DEPT. OF C&RA The Commissioner said the administration sees no objection to the bill. She suggests it could be added to revenue sharing instead of going back to general fund. There is \$2,545,000 left, but the Dept. has \$3,000,000 in requests: Mat-Su \$206,000; North Slope \$1,221,000; Soldotna \$104,000; Juneau \$116,000; Whittier \$84,000; plus many more requests not official yet.

REP. OSE Rep. Ose favors the bill. He objected to Anchorage getting money from it and then lowering their taxes. The communities have had a long time to take advantage of it. Rep. Davis also favors it. Rep. Hackney would like to see the authority of C&RA extended to dispose of funds but doesn't want the program to end. The funds were voted by the Legislature for impact and that is what they should be used for. Impact money has been a real source of help in Fairbanks.

REVENUE SHARING As far as using the money for revenue sharing, Freeman doesn't think it is within the power of the Committee to do it with this bill. It would be a more equitable distribution, so Cotten suggests putting a letter of intent with the bill.

REPORT OUT. Ose makes a motion to report out. So moved. Four do pass.

ALASKA DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

OIL-DEVELOPMENT IMPACT GRANTS

Date April 29, 1975

(thousands of dollars)

CITY AND/OR BOROUGH	Direct Grants	Discretionary Grants		TOTAL DIRECT & DISCRET. GRANTS	
	ch. 147, SLA 1974	ch. 8, SLA 1974	SSS		
		DEPARTMENT REQUESTED	IN PROCESS	APPROVED	
Greater Anchorage Area Borough	\$ 1,325	\$ 2,045		\$1,302	\$2,627
City of Anchorage	1,894	(2,526	69	1,381*	3,275
City of Barrow	189	(69			
North Slope Borough	379	1,221	1,221		
Delta Junction	379				
City of Fairbanks	606	,398		2,070*	2,676
Fairbanks North Star Borough	3,030	3,638		1,636	4,666
City of Haines/Haines Borough		434		166*	
Juneau		116	116		
Matanuska-Susitna Borough		206	206		
North Pole	152	319		-0-	
Sitka		500		-0-	
Soldotna		104	104		
Valdez	2,046	(1,127	250	900*	2,946
Whittier		(250			
		114	84		
TOTAL	\$10,000		1,946	\$7,455	
BALANCE AVAILABLE	-0-			\$2,545	

*Balance of request not recommended

HB - 428

House Committee on
COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes
May 7, 1975

Meeting was called to order at 9:00 to discuss HB 478. Present:

Rep. Cotten	Barbara Englert Thomas, Staff
Rep. Ostrosky	Andrea Guernsey, Staff
Rep. Freeman	Mary Froney, Anchorage Borough Assembly
Rep. Hershberger	Rep. Beirne, Sponsor
Rep. Davis	Don Berry, Municipal League
Rep. Hackney	Cheryl Probst, Anchorage Times
	Bill Barrier, Legislative Affairs

MARY FRONEY

Mrs. Froney made opening comments on the energy crisis. She said the government should be more responsive to the cause of the problem and not the secondary cause. The tax should be on the root of the problem, not on ad valorem, sales tax or gross business tax which are secondary taxes. This is permissive legislation and is not mandatory. Land and buildings shouldn't pay for people services, these should be paid by wage or income tax. She read the underlined wording on page 5 and said this would mean fire protection or road maintenance which is not wholly people service would still be paid by ad valorem. She would like to see this bill passed this year because one can't take advantage of it until January of '76.

WAGES EARNED OUT-
SIDE MUNICIPALITY

Cotten asked what about the wages earned outside a municipality? Mary answered that a wage tax is collected where the person works and income is collected where he lives. Since she believes the major impact of a person is where he lives it would be covered by income tax.

INEQUITY

Rep. Beirne sees an inequity. The bill mandates the repeal of the gross business tax but doesn't mandate the wage or income tax. A amendment is needed to tie the two together.

VOTE OF PEOPLE

Rep. Hackney wants to know why it doesn't go to a vote of the people. Helen said they wouldn't want to chance defeat by the people who might not understand. Instead they are bringing it from the top through the legislature.