

ALASKA LEGISLATURE COMMITTEE FILES 1963-1964 86/2

2164 HCRA HB 148 - HB 153 86/2

MATANUSKA-SUSITNA BOROUGH

FARM PROPERTY TAX DEFERRAL PROGRAM

IMMEDIATE PALMER

Name of Property Owner	Farm Use Applicant	Location of Farm (area, main road, side road)	Acreage	Assessed Valuation (land)	Assessed Valuation (Improvements)	Paid by Owner	Paid by State	Comment
Fielding Farms (portion)		18N02E32A010	35.00	\$ 87,500	- 0 -	\$ 38.28	\$ 486.72	
Wesley Grover		18N02E32A029 18N02E32A030 1309000L002 (Stanley Subdivision)	16.88	85,820	51,200	327.24	494.88	
Wendell Lewis (portion)		17N02E03C003 17N02E04D008	60.42	148,600	105,100	730.92	791.28	
Leonard Moffitt		18N02E19D017 18N02E29B002 18N02E29B004 18N02E29C002 18N02E29C003 18N02E29C005 18N02E29C006 18N02E30A008 10N02E30A009 18N02E32A002 18N02E32A004 2081000T001-A (Eve's Eye Subdivision) 3001000T00D-1 (H. Adams Subdivision)	566.50	899,440	122,800	1,320.72	4,812.72	

MATANUSKA-SUSITNA BOROUGH

FARM PROPERTY TAX DEFERRAL PROGRAM

IMMEDIATE PALMER

Name of Property Owner	Farm Use Applicant	Location of Farm (area, main road, side road)	Acreage	Assessed Valuation (land)	Assessed Valuation (Improvements)	Paid by Owner	Paid by State	Comment
Roland Snodgrass (portion)		18N02E33D003 18N02E33D005 18N02E33D006 18N02E33D022 18N02E33D025 18N02E33D027	69.26	\$321,660	- 0 -	\$ 85.07	\$2,018.89	
Wiederkehr, Inc.		18N01E36A003 18N02E30C002 18N02E30C004 18N02E31A002 18N02E31B002 18N02E31B003 3001000T00A (H. Adams Subdivision)	370.45	599,680	78,300	818.16	3,249.72	
Loren Wiederkehr		18N02E31A004	6.00	9,000	56,400	343.68	48.72	

MATANUSKA-SUSITNA BOROUGH

FARM PROPERTY TAX DEFERRAL PROGRAM

NORTH PALMER-FISHHOOK

Name of Property Owner	Farm Use Applicant	Location of Farm (area, main road, side road)	Acreage	Assessed Valuation (land)	Assessed Valuation (Improvements)	Paid by Owner	Paid by State	Comment
Robert Boyd		18N01E14C003 18N01E14C004 18N01E23A003 18N01E23A004 18N01E23A006 18N01E23A007	400.00	\$411,060	\$ 94,360	\$800.16	\$2,362.68	
Stan Davis		18N02E17A003 18N02E17C007 18N02E17C008 18N02E17D010 18N02E17D011 18N02E17D012 18N02E17D013 18N02E20A010 18N02E20A011 18N02E20A012 18N02E20A013	260.00	291,020	187,120	1,372.32	1,496.52	
Frederick Goodwin		18N01E10D002 18N01E15A001	120.00	172,000	37,400	303.60	952.80	
Wendell Lewis (portion)		18N01E22D001 18N01E23C001	293.71	252,180	- 0 -	289.11	1,450.93	
Jalmer Kerttula		18N01E22A003	160.00	216,000	- 0 -	118.13	1,372.27	

MATANUSKA-SUSITNA BOROUGH

FARM PROPERTY TAX DEFERRAL PROGRAM

NORTH PALMER-FISHHOOK

Name of Property Owner	Farm Use Applicant	Location of Farm (area, main road, side road)	Acreage	Assessed Valuation (land)	Assessed Valuation (Improvements)	Paid by Owner	Paid by State	Comment
Bradley Lewis		18N02E09D006	74.97	\$ 93,720	- 0 -	\$ 81.00	\$ 425.09	
William Merry		18N01E07D011	55.38	89,100	66,660	499.49	528.53	
Elvi Rebarcek		18N01E22A002 18N02E20D001	235.00	232,500	18,700	245.26	1,369.94	
Susan Rott		19N01E33B016 19N01E33B017 19N01E33B018 19N01E33B019	80.00	103,000	400	50.30	665.14	
Ardnt Von Hippel		18N02E20D002	80.00	120,000	181,400	1,176.24	632.16	
Richard Washburn		18N02E18D002	88.30	132,460	47,660	362.28	718.44	

MATANUSKA-SUSITNA BOROUGH

FARM PROPERTY TAX DEFERRAL PROGRAM

SOUTH PALMER-SPRINGER

Name of Property Owner	Farm Use Applicant	Location of Farm (area, main road, side road)	Acreage	Assessed Valuation (land)	Assessed Valuation (Improvements)	Paid by Owner	Paid by State	Comment
George Crowther		17N02E09C001	40.00	\$ 80,000	\$ 70,100	\$ 495.60	\$ 405.00	
Wesley Grover (portion)		17N02E15B009 17N02E16A001 17N02E18A004 3007000T002 (Bridle Trails Subdivision) 3007000T003	139.66	271,140	74,500	700.68	1,373.16	
Hamilton Farms		17N02E09A008 17N02E09B001 17N02E09D003 17N02E09D004	275.00	343,760	211,000	1,596.00	1,732.56	
Myrtle Harrington		17N02E09A010	64.50	116,100	26,200	234.60	619.20	
Keith Hooks		17N02E17C002	36.77	73,540	30,600	219.60	405.24	
Gene Jenn (portion)		17N02E18A011	8.72	41,020	112,500	681.60	239.52	
John Leiner (portion)		3014000T003 (Grandview Subdivision)	9.25	8,400	19,100	118.80	46.20	
Bernard Vanderweele		17N01E16D015 17N02E08D002 17N02E17A002 17N02E17B004 17N02E17B007 17N02E18A012 17N02E18A013 17N02E18A014 17N02E18D004 3004000L001 (Bradley Lake Subdivision)	341.68	622,160	266,200	1,978.99	3,445.18	

MATANUSKA-SUSITNA BOROUGH

FARM PROPERTY TAX DEFERRAL PROGRAM

SOUTH PALMER-SPRINGER

Name of Property Owner	Farm Use Applicant	Location of Farm (area, main road, side road)	Acreage	Assessed Valuation (land)	Assessed Valuation (Improvements)	Paid by Owner	Paid by State	Comment
Roland Snodgrass (portion)		17N02E10D001	48.00	\$ 86,400	- 0 -	\$ 55.32	\$ 463.08	
Clayton Woodward		17N02E19A001 17N02E19D001	236.55	315,760	25,440	350.75	1,643.80	

## MATANUSKA-SUSITNA BOROUGH

FARM PROPERTY TAX DEFERRAL PROGRAM

NORTH PARKS-SEWARD MERIDIAN (Bogard-Trunk Road Area)

Name of Property Owner	Farm Use Applicant	Location of Farm (area, main road, side road)	Acreage	Assessed Valuation (land)	Assessed Valuation (Improvements)	Paid by Owner	Paid by State	Comment
Elroy Ashmore		18N01E34A001	76.46	\$ 98,640	\$ 47,200	\$372.05	\$ 634.25	
Bob Havemeister		18N01E27A002 18N01E27D002	159.00	258,000	121,500	982.01	1,636.54	
Henry Kircher (portion)		18N01E26B001	151.51	186,440	- 0 -	130.27	1,156.16	
Kircher-Menck (*also has Senior Citizen Exemption)		*18N01E26C001 18N01E27D001 18N01E35B001	398.00	370,100	114,500	893.14	1,717.13	
Peter Rissi		18N01E25D001 18N01E36B004	220.00	309,000	- 0 -	256.46	1,705.54	
Evelyn Mielke		17N02E06B004	40.00	80,000	- 0 -	16.80	463.20	
Robert Mielke		17N02E06B003	27.53	55,060	82,800	508.32	318.84	

## MATANUSKA-SUSITNA BOROUGH

FARM PROPERTY TAX DEFERRAL PROGRAM

## SOUTH PARKS-FAIRVIEW

Name of Property Owner	Farm Use Applicant	Location of Farm (area, main road, side road)	Acreage	Assessed Valuation (land)	Assessed Valuation (Improvements)	Paid by Owner	Paid by State	Comment
Donald Breeden		17N01E15D003 17N01E15D006 17N01E15D007 17N01E15D008	128.97	\$228,460	\$138,800	\$1,085.93	\$1,448.16	
Fielding Farms (portion)		17N01E17C001 17N01E20B001	238.00	244,500	- 0 -	214.75	1,322.99	
Richard Hornung		17N01E21B005	33.79	67,580	75,200	542.20	442.98	
Larry Vandersloot		17N01W13D002	120.00	144,000	21,100	210.12	780.48	
Gene Jenn		17N01E16C013 17N01E16D003 17N01E16D005 17N01E16D009 17N01E16D010	107.00	302,400	203,100	1,515.09	1,972.86	
Alaska Fur Farms, Inc.		17N01W29A001	160.00	112,000	119,700	841.08	549.12	

MATANUSKA-SUSITNA BOROUGH

FARM PROPERTY TAX DEFERRAL PROGRAM

WASILLA-KNIK

Name of Property Owner	Farm Use Applicant	Location of Farm (area, main road, side road)	Acreage	Assessed Valuation (land)	Assessed Valuation (Improvements)	Paid by Owner	Paid by State	Comment
Harvey Longnecker		17N02W32C001	160.00	\$152,000	\$58,300	\$396.04	\$739.58	
Ingval Tofson		17N03W25C010	71.45	61,420	1,340	39.64	299.27	

MATANUSKA-SUSITNA BOROUGH

FARM PROPERTY TAX DEFERRAL PROGRAM

SCHROCK

Name of -Property Owner	Farm Use Applicant	Location of Farm (area, main road, side road)	Acreage	Assessed Valuation (land)	Assessed Valuation (Improvements)	Paid by Owner	Paid by State	Comment
Anna Koruna		18N02W20E002	160.00	\$120,000	\$ 2,600	\$ 77.04	\$ 658.56	
George Lustig		18N02W24B001	160.00	144,000	2,500	115.80	763.20	
William Mahoney		18N02W12C004 18N02W12C005	80.00	82,500	- 0 -	2.59	442.91	
Paul Mahoney		18N02W14A006	106.00	92,760	15,340	153.12	495.48	
Manvil Olson		18N01W18A001 18N01W21A001 18N01W21C002 18N01W22B002	518.00	597,800	32,180	555.48	3,224.40	
Linda Schwald		18N01W09D003	20.00	41,760	11,540	67.50	220.32	
Wilderness Farms (portion)		18N01W14B011 18N01W14C001 18N01W15D004 18N01W15D005 18N01W15D007	195.00	185,900	137,260	962.52	976.44	

## MATANUSKA-SUSITNA BOROUGH

FARM PROPERTY TAX DEFERRAL PROGRAMOTHER AREA  
(Sutton-Chickaloon)

Name of Property Owner	Farm Use Applicant	Location of Farm (area, main road, side road)	Acreage	Assessed Valuation (land)	Assessed Valuation (Improvements)	Paid by Owner	Paid by State	Comment
Walter Callison		19N03E23D002 19N03E24A004 19N03E24B002 19N03E24B004	238.30	\$119,720	- 0 -	\$966.29	\$679.61	
Wendell Lewis (portion)		19N03E31A001	160.00	98,800	- 0 -	198.91	532.21	
William Long		18N02E02A001	130.00	71,500	79,020	625.74	488.10	
Len Melton		19N02E12D001 19N02E13B001 19N02E14A001	360.00	180,000	- 0 -	116.64	855.36	
Raymond Stock		20N06E29D002	39.79	27,860	15,800	106.81	128.95	

MATANUSKA-SUSITNA BOROUGH

FARM PROPERTY TAX DEFERRAL PROGRAM

OTHER  
(Willow-Talkeetna-Petersville Area)

Name of Property Owner	Farm Use Claimant	Location of Farm (area, main road, side road)	Acreage	Assessed Valuation (land)	Assessed Valuation (Improvements)	Paid by Owner	Paid by State	Comment
C. W. Reynolds		19N04W12A003	5.00	7,500	\$26,520	\$144.50	\$ 39.20	
J. B. Wier		25N05W15A001	159.65	90,800	11,180	103.90	446.80	
Gerald Robson		25N05W03B001 26N05W34C002	122.50	79,620	- 0 -	309.64	363.74	
Clayton Fox		26N05W30pp02	40.00	48,000	3,600	49.68	228.96	
Peter Hasson		26N05W30D004	155.00	100,760	24,460	254.34	421.85	
Bobby Watkins, Sr.		26N05W20B008 2084 (13 lots in Watkins Subdivision)	116.72	122,600	- 0 -	78.52	583.53	

MATANUSKA-SUSITNA BOROUGH

FARM PROPERTY TAX DEFERRAL PROGRAM

OTHER  
(Knik River Road Area)

Name of Property Owner	Farm Use Claimant	Location of Farm (area, main road, side road)	Acreage	Assessed Valuation (land)	Assessed Valuation (Improvements)	Paid by Owner	Paid by State	Comment
Bernard Eberhardt		16N03E25B002 1847000T00A (Eberhardts Subdivision) 1847000L003 ( " " )	53.19	\$95,440	-- 0 -	\$35.09	\$480.28	

**Matanuska-Susitna Borough**  
**assembly memorandum**

*Manager*

no. AM 82-425

**from:** Gary Thurlow, Borough Manager

**date:** 12/17/82

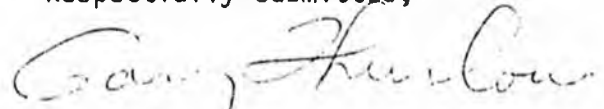
**subject:** PRESERVATION OF FARM LANDS

The Borough Agricultural Advisory Committee recommends that the Borough Assembly adopt a farm land preservation bill along the lines of the attached bill.

The Planning Commission supports preservation of farm land through state purchase of development rights from willing sellers.

We recommend that farm land preservation be included as a legislative priority.

Respectfully submitted,



Gary Thurlow  
Borough Manager

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Attachment

IN THE HOUSE

HOUSE BILL NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTEENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to the preservation of agricultural land."

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

\* Section 1. AS 38 is amended by adding a new chapter to read:

CHAPTER 60. PRESERVATION OF AGRICULTURAL LAND.

Sec. 38.60.010 Findings and Declaration of Purpose.

(1) Land suitable and in use for farming is an irreplaceable natural resource with soil and topographic characteristics which have been enhanced by years of agricultural use. When such land is converted to urban and suburban uses which do not require those special fertility and landscape characteristics, and important economic and community resource is permanently lost to the State of Alaska.

(2) Alaska is a desirable place to live and visit because of the quantity, variety and natural beauty of its open space which contributes a vital ingredient to the quality of life of the people of the State. Alaska farmlands provide a natural separation between urban areas, furnish unique aesthetic and economic benefits to the citizens of the State and are an important part of Alaska's heritage.

(3) The agricultural industry in Alaska provides Alaskans with the opportunity to obtain locally grown agricultural products with certain advantages in flavor, quality and costs which would not otherwise exist.

(4) It is the policy of the State of Alaska to protect and preserve agricultural lands as evidenced by Alaska laws authorizing current use taxation of agricultural land and by property tax deferral policies of local governments in which farmlands are located.

(5) These policies, by themselves, have not been effective to provide long-term protection of farm lands under the pressure of increasing urban development.

(6) Generally, farm lands close to urban centers have a greater market value for future urban development than their market value for farming. This fact encourages the speculative purchase of these lands at high prices for future development, regardless of the current use of such lands. Farm lands which have a market value greater than their agricultural value do not attract sustained agricultural investment and eventually these lands are sold by farmers and removed from agricultural uses.

(7) The permanent acquisition by the State of voluntarily offered interests in farm lands within the State, as provided in this chapter will permit these lands to remain in farm uses in developing urban areas and provide long-term protection for the public interests which are served by farmlands within the State of Alaska.

Sec. 33.60.020. ACQUISITION OF AGRICULTURAL PRESERVATION EASEMENTS.

(a) If privately owned agricultural land meets the requirements specified in AS 38.60.030, the director may acquire by purchase an agricultural preservation easement in that land.

(b) The director, with the concurrence of the commissioner, is authorized to dispose of state land or an interest in state land by exchanging it for privately owned agricultural land or for an agricultural

preservation easement in privately owned agricultural land if the privately owned agricultural land meets the requirements specified in AS 38.60.030.

(c) The value of an agricultural preservation easement received by the State in an exchange made under this chapter must be equal to the fair market value of the state land or the interest in state land exchanged. If the value of the state land or the interest in state land is not equal to the value of the agricultural preservation easement, the director may accept money from, or pay money to, a landowner. The money paid or accepted must equal the difference between the fair market value of the agricultural preservation easement and the fair market value of state land or the interest in state land exchanged under this chapter.

(d) A purchase of an agricultural preservation easement or an exchange of state land for an agricultural preservation easement shall be to preserve the agricultural use of land.

(e) The director may, in lieu of an agricultural preservation easement, accept a remainder interest in a life estate or similar future interest, so long as the land continues in agricultural uses.

(f) The sale, exchange or donation of an agricultural preservation easement is strictly voluntary. A parcel shall be considered under this program only upon application of the owner. After sale, donation or acquisition by exchange of agricultural preservation rights, the owner shall not be required to carry out any specific agricultural activities so long as the owner does not use or subdivide the land for any residential, commercial or industrial purposes and activities which are not incident to agricultural uses.

Sec. 38.60.030. LAND ELIGIBLE FOR AGRICULTURAL PRESERVATION. Land eligible for agricultural preservation under this chapter must

- (1) be under private ownership;
- (2) be located in an area of the state surveyed by the United States Soil Conservation Service;
- (3) contain over at least 40 per cent of the surface area soils which are classified as classes II - IV by the United States Soil Conservation Service; and
- (4) be a parcel of at least 40 acres in cultivation or farm use or be a parcel of at least 20 acres under cultivation or farm use in size adjacent to established farms of at least 40 acres in size which have been in operation as farms for at least ten (10) years.

Sec. 38.60.040. PRIORITIES FOR ACQUISITION.

(a) Priority districts. In the event that funds are not adequate in the state to purchase agricultural preservation easements in all eligible lands, the director may establish farmland preservation priority districts and allocate monies for agricultural preservation easements within those districts according to the following priorities and in the following order of priority.

- (1) farm lands threatened by early conversion to subdivisions, commercial or industrial uses;
- (2) farm lands which are of recognized value as a tourism destination because of historic associations, natural setting, closeness to tourism routes or other reasons;
- (3) farm lands which have a history of high productivity because of soils, temperatures and other reasons;

- (4) farm lands that are close to market; and
- (5) farm lands that are within a known established agricultural area.

(b) Criteria for selection within same priority. In the event that funds are not adequate within a priority area to purchase all eligible lands of equal priority for which valid offers shall have been received by the state, the following criteria shall be considered in determining which offers to accept:

- (1) an offer of land which is more threatened by urban development shall be favored over an offer of land which is less threatened;

- (2) an offer which is below appraisal shall be favored over an offer which is at appraisal.

- (3) an offer of farmland producing in the 12 months preceding application shall be favored over an offer of land which lies fallow;

- (4) an offer of land which will form a contiguous farming area with other offered or acquired eligible land shall be favored over an offer of land which is separated;

- (5) an offer of land which will serve the dual purpose of urban separation and agricultural production or separating commercial and industrial uses from residential or recreational uses shall be favored over an offer of land which will serve only one of such purposes; and

(c) Where agricultural lands are within a municipality, the director shall, before making an allocation of agricultural preservation

easement monies to farm land preservation priority districts within the municipality, refer to any comprehensive plan or ordinances of the municipality on municipal farm land preservation priorities provided to him by the municipality and shall, before making an allocation, give the municipality an opportunity to make recommendations regarding priorities for farm land preservation within the municipality.

Sec. 38.60.050. APPLICATION TO EXCHANGE OR SELL EASEMENT IN AGRICULTURAL LAND. (a) An owner of agricultural land which meets the requirements of AS 38.60.030 may offer by written application to sell or exchange an agricultural preservation easement to the state on all or a portion of his agricultural land.

(b) To be considered by the director, an application to sell or exchange must

(1) include an asking price at which the owner is willing to sell an easement. The owner may, but is not required to, submit an appraisal to support the asking price.

(2) include a complete description of the agricultural land.

(c) Within 30 days after the receipt of an application, the director shall notify the landowner of the sufficiency of the application. If the application is insufficient, the director shall specify the reason and shall allow an additional 30 days for the landowner to remedy the insufficiency. If the application is made sufficient within 30 days of the notification by the director, the application shall be approved. The director shall notify all landowners whose applications have been rejected, and he shall specify the reasons for the rejection.

(d) If the agricultural land, or any part of it, is located in a municipality, the director shall notify the governing body of the municipality within 30 days after approval of an application that an application has been approved. Within 30 days after the notification, the municipal governing body may appeal to the director for reconsideration of his decision. If a municipality appeals, the director shall hold a public hearing in the municipality before an offer to sell or exchange is tendered to the landowner. If, after a public hearing in the municipality, the director's decision remains unchanged, the municipality may appeal to the commissioner within five days for a review of the director's decision.

Sec. 38.60.060. OFFER TO BUY OR EXCHANGE. Within 90 days after approval of the landowner's application to sell or exchange an agricultural preservation easement, the director may accept the landowner's offer to buy or exchange at a price and upon terms offered by the landowner or may, in the director's discretion, make a counter offer to buy or exchange and may specify terms, contingencies, and conditions not contained in the landowner's application. A landowner has 30 days from the date of receipt of the counter offer to buy or exchange in which to accept or reject the offer.

Sec. 38.60.070. VALUE OF AGRICULTURAL PRESERVATION EASEMENT. (a) The maximum value of an agricultural preservation easement acquired under this chapter shall be the asking price or the difference between the fair market value of the land and the agricultural value of the land, whichever is less.

(b) The value of an agricultural preservation easement shall be determined by the director based on one or more appraisals by qualified appraisers. If the landowner and the director fail to agree on the value

of the easement, the landowner, at his own expense, may have the easement appraised by a qualified appraiser agreed upon by the landowner and the director.

Sec. 38.080. PROVISIONS TO BE INCLUDED IN EASEMENT. An agricultural preservation easement acquired under this chapter shall include the following provisions:

(1) agricultural use of the land by the landowner or his assigns is permitted;

(2) removal of minerals or materials from the subsurface of the land by the landowner or his assigns is permitted if the landowner immediately returns the land to agricultural use and restores the land to a condition at least as favorable for agricultural use as existed before the nonagricultural use began;

(3) operation of machinery used in agricultural production or the primary processing of agricultural products is permitted;

(4) normal agricultural operations are permitted, including, but not limited to, sale of agricultural products produced on the land where the sale is made;

(5) residential subdivision for commercial purposes by the landowner or his assigns is not permitted;

(6) construction of buildings for farming operations is permitted, but land used for farm residences may not exceed one acre per 40 acres of land under an agricultural preservation easement; and

(7) acquisition of an agricultural preservation easement by the state does not grant the public a right of access or right of use of the property subject to the easement, nor does it affect any existing easements, rights of way or rights of access.

Sec. 38.50.90. DEFINITIONS. In this chapter (1) "agricultural operations" means those activities related to the production of domesticated plants and animals useful to man;

(2) "agricultural preservation easement" means a public owned interest in lands under which the owner retains agricultural rights, but in which all development rights are owned by the public.

(3) "agricultural rights" means an interest in and the right to use and possess land for purposes and activities related to horticultural, livestock, dairy and other agricultural uses.

(4) "agricultural use" means the use of land for the production of domesticated plants and animals useful to man, and other related uses and activities;

(5) "agricultural value" means the price on the valuation date which a vendor, willing but not obligated to sell, would accept for the property, and which a purchaser, willing but not obligated to buy, would pay for the property to be used for agricultural operations;

(6) "commissioner" means the commissioner of the Department of Natural Resources;

(7) "development rights" means an interest in and the right to use and subdivide land for any and all residential, commercial and industrial purposes and activities which are not incident to agricultural uses.

(8) "director" means the director of the division of agriculture in the Department of Natural Resources;

(9) "fair market value" means the price on the valuation date for the highest and best use of the property which a vendor, willing but

not obligated to sell, would accept for the property, and which a purchaser, willing but not obligated to buy, would pay for the property if the property was not subject to any restriction imposed under this chapter.

(10) "municipality" means a unified municipality or a home rule borough or general law borough or city, of any class, incorporated under the laws of the state;

(11) "qualified appraiser" means a senior member of the American Institute of Real Estate Appraisers, the Society of Real Estate Appraisers, a person meeting the requirements for certification as an appraiser II by the division of personnel, Department of Administration, or a person qualified according to regulations adopted by the commissioner under the Administrative Procedure Act (S 44.62);

(13) "residential subdivision for commercial purposes" means the division of a tract or parcel of land into two or more lots, sites or other divisions for the purpose, whether immediate or future, of sale or building development, and includes a resubdivision.

## Matanuska - Susitna

## assembly memorandum

no. AM 82-422

from: Planning Department

date: 12/16/82

subject: Planning Commission Resolution 82-47 - Purchase of  
Agricultural Development Rights

Enclosed is a copy of Planning Commission Resolution 82-47 recommending that the Assembly and State support the concept of preservation of agricultural land through the purchase of agricultural development rights. This resolution supported by a Borough Agricultural Advisory Board memorandum of November 10, 1982 (see attached). This resolution does not relate to any particular draft legislation existent or to any other specific method of agricultural development rights purchase.

Administration recommends Assembly concurrence with this concept through approval of this memorandum.

Respectfully submitted,

*Claudio Arenas*Claudio Arenas  
Planning Director

Reviewed and Approved:

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Gary Thurlow  
Borough Manager

lf

*Appr 12-21-82  
E.T.*

*Logsdon  
March 27*

April 2, 1983

Charles Logsdon  
Agresources  
Box 1747  
Palmer, AK 99645

Dear Chuck,

Thanks for your letter of support for the preservation of agricultural lands bill that I have introduced, as HB 148, in the House this year.

*Further* → House Bill 148 is currently in the House Resources Committee and was first heard in that committee last week. Several questions were raised by committee members, in the first hearing of this bill, that demonstrated their doubts as to how this bill would serve the people of Alaska as a whole, and not simply the residents of the Mat-Su Borough. Further questions challenged the very notion of Alaska as an agricultural state. For these reasons, your letters of support are very much needed and should be directed to the members of the House Resources Committee. The members of this committee are Representatives Ringstad and Schultz, Co-Chairmen, Representative Uehling, Vice-Chairman, and Representatives Cowdery, Bussell, Liska, Vaska, Goll, and Larson, Committee members.

Your timely support of this worthy bill would be greatly appreciated.

Sincerely,

Barbara Lacher  
Representative  
District 16

BL/sr

# AGRESOURCES

Box 1747 - Palmer, Alaska 99645 - (907) 745-2413

March 28, 1983

MAR 29 1983

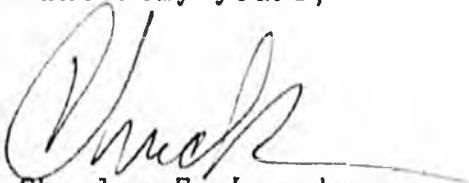
Representative Barbara Lacher  
Pouch V  
Juneau, AK 99811

Dear Barbara:

I saw you interviewed on TV the other night, and I must say you were impressive.

It is true that there is no leadership for agriculture in the House, and I hope you and Ron separately or collectively will try to remedy that situation soon. If you decide to do that, I would be happy to try to supply you with my information and opinion if you think it might do you any good.

Sincerely yours,

  
Charles E. Logsdon

*We need to get  
you to contact  
Resources Committee  
people, and how  
about*

Stinson  
Reaction 2400  
DNR  
3/30 #13148

Reservoir -  
"Bank"  
Subdivision conversions  
only lands under tract. of farming  
Rungt. Do NOT INTEND  
TO MOVE BILL OUT TODAY

without  
Ray Keller: - focus on clear ag. land  
Goal -

Handwritten  
Research  
memo  
has answer.

(3) (8) - shows much land in danger

in Mat. See area - call for  
% land under immediate  
threat

has been called for changes for testimony

Whelby - Fiscal note - 77,000  
is this realistic?

Ray - fiscal note is to stay because  
of cuts -

Whelby - what looking for the  
state have

Ray - "Don't" might determine  
area ratio of agri vs. market  
value →

Whelby - in essence we're looking  
at more \$ from the state  
than the fiscal note  
indicates

Cowdery - ? 1000 acres per yr. subdividing  
in Mat-Su ; what size  
tracts -

Larson - small lots 40,000 sq ft  $\rightarrow$  1/4 acre

Cowdery - How do we determine  
agricult. value & develop.  
value ratio? (big diff.  
between devel. value)

Peg  $\rightarrow$  owner U.S. assessment

Larson - [ take lesser of 2  
agric. land is taxed  
at devel. value or  
agr. value ]

Cowdery - How is this going to  
help all ATs - not  
agr. State

market value  
Farm use value  
Pays difference  
48.43  
47  
value  
tax  
value

Peg - through market place  
Larson - philo. of legist. should  
be to provide infrast.  
to allow St. to survive  
after oil revenues are gone

Cowdery - How can we realistically  
hold agr. lands not  
in development

Peg - note bill does not address  
this land -

Whelzig - points to the "substantiation"  
element in the bill

Reg points out that St. does  
not have to put in new  
Servers etc, as w/ new develop.  
i.e., self-supporting

Larson - retirement program for  
farmers has been subdivided...  
We've looked into zoning  
(coops) then looked to program  
of HB 148. Note bill does  
not obligate anything -  
it provides an option.

Jay Nelson - AK Envir. Lobby  
Ex. director ✓  
- makes conservation argument

Cowdery - how do we stop abuse  
of program -

Liska - Is AK an agric. state?

Nelson - repeats Larson's argument

Bussell - do you think if every  
acre of ag. land in AK →  
could we feed AK in a month

Sharon- dept. has subst. problems  
w/ bill, in partic. the  
fiscal impact.

Goll — (what areas?) is it the  
required study of the dept.

Sharon- not in our priorities

1) See Session laws 1981/42 -

10 yr. plan - requested by Regist.  
hearings held in select places  
" never held in Anch., despite requests. See who renewed 10-yr. plan, etc.

2) "hobby farms" - term as label used to skirt issue & label small farms as outside existing programs in County Extension (C)'s which apply for larger farms.

3) examples of very successful small-scale garden producers (almost commercial)

Tanna Chiefs

[ Deari Coop Extension - asked why Univ. ignores this phenomena - takes classical 19th C racist/colonialist stance

4) American Farmland Trust (Winrock)

5) Dept. Ag. check pop. sample - (150 mailing list v.s. generalizations)

problem of terms:

issues → how does this benefit whole State marketing support (e.g. lettuce)

David Gottstein / Buyer for Food stores / Anchorage  
"Natural Pantry"  
Anchorage - green produce only market.  
? good with men

*filed in Bill*

STATE OF ALASKA  
PRELIMINARY STATEMENT OF FISCAL IMPACT

Bill No: CSHB 148 (C&RA) Date on Bill: 3/18/83  
 Title: Preservation of agricultural lands  
 Sponsor: Lacher, Larson and Zharoff  
 Requestor: \_\_\_\_\_

1. Estimated fiscal impacts on:

a. Expenditures:

(Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86
Capital				
Operating		77.3	82.5	88.0
TOTAL				

b. Revenues:

Revenue				
---------	--	--	--	--

2. Source of funds to offset fiscal impact of bill:

3. Assumptions:

Fiscal impact of this proposal is entirely dependent on level of implementation. We estimate the program would require a minimum of one professional and one clerical to administer the activities required to prepare documents, arrange appraisals, handle public meetings and follow up on verification of compliance with land use requirements. These position can be located at the Wasilla office of the Division of Agriculture.

No funding is requested in this note for actual purchase of easements.

4. Disclaimer:

This statement has not been reviewed by the OMB in the Office of the Governor. It therefore does not represent the final estimate of fiscal impact.

Prepared By: Ed Kern Phone: 376-3276  
 Division: Agriculture Date: 3-1-83  
 Approved by Commissioner: *Sydney Halloran* Date: 3/30/83  
 Department: Natural Resources

5. Distribution:

- Original to Legislative Finance
- Copy to OMB
- Copy to Sponsor
- Copy to Requestor

2/15/83

# Alaska State Legislature

Barbara Lacher, Chairman  
Mae Tischer, Vice-Chairman  
Randy Phillips  
Milo Fritz  
Don Clocksin  
Jack McBride  
Mike Szymanski



Room 104  
State Capitol  
Juneau, Alaska 99811  
Pouch V  
Juneau, Alaska 99811

## House of Representatives Committee on Community & Regional Affairs

TO: HOUSE C & R A COMMITTEE  
FROM: Staff  
SUBJECT: CSHB 148  
DATE: March 15, 1983

During the last committee hearing on CSHB 148 on March 9, 1983, the committee requested that three (3) corrections be made. The requested corrections are incorporated into the bill as follows:

1. page 6, line 23, add "or by a leasee of the owner of the land."
2. page 6, line 25, 26, reinstates permission for owner to remove minerals or materials from the subsurface of the land but adds the words "for personal use for five years after acquisition of the agricultural preservation easement."
3. page 9, lines 16-20. Amends AS 29.53 to insure that lands with a state purchased preservation easement will be assessed at farm use value, thus preventing a tax exemption as provided in AS 29.53; and does not require an owner of farm lands, who has in the past received a tax exemption, to repay those funds upon selling his agricultural preservation rights.

3

STATE OF ALASKA  
THE LEGISLATURE  
LEGISLATIVE AFFAIRS AGENCY

POLCH Y - STATE CAPITOL  
JUNEAU, ALASKA 99811  
907-465-3800

MEMORANDUM

March 10, 1983

SUBJECT: Agricultural preservation easement  
(CSHB 148 (C&RA))

TO: Representative Barbara Lacher  
Chairman, House Community and  
Regional Affairs Committee

FROM: Richard A. Bradley  
Legislative Counsel *B*

A brief analysis of the amendments prepared for the committee substitute.

The restoration of Sec. 90(a)(2) seemed best accomplished in two parts. Thus, the uses permitted are included as sec. 90(a)(2). The uses not permitted are added in at the end of sec. 90(b).

The amendment to sec. 90(a)(1) is included as requested.

The amendments to AS 29.53.035 suggested in my memorandum to Representative Don Clocksin are accomplished in two parts. AS 29.53.035(a) is affirmatively amended. A new AS 29.-53.036 containing what was suggested as sec. 35(f) is added.

If I may be of further assistance, please advise.

RAB:ljb

Enclosure  
1/031

*Statutory HB 148  
Reference  
AS 30.07*

*3/23/3/25; 3/2;  
3/7; 3/9*

HB

152

# COMMITTEE REPORT

## HOUSE

FURTHER: FINANCE

2/2/83

Date: 2/16/83

Mr. Speaker:

The Committee on C & RA has had HB 152

An Act making a supplemental appropriation to the miscellaneous services account; and providing for an effective date.

under consideration and reports it back as follows:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for HB 152  same title
- and recommends Do Pass  new title
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation  Zero Fiscal Note Attached
- referred to the \_\_\_\_\_ Committee

**MEMBERS SIGNING  
DO PASS**

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

**MEMBERS HAVING  
OTHER RECOMMENDATIONS:**

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

CHAIRMAN

STATE OF ALASKA 1984 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date: 12/29/83

REQUEST

Bill/Resolution No.: HB 152 CS(C&RA)  
Title: Supp Approp/MISC SVS Acct/  
Effect Date  
Sponsor: C&RA Committee  
Requestor: Jay Hogan  
Date of Request: 12/16/83

FISCAL DETAIL

Agency Affected: Community & Regional Affairs  
Program Category Affected: Development  
BRU, Program or Subprogram(s) Affected:

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS	2938.0 (FY 83)					
900 MISCELLANEOUS						
TOTAL OPERATING						
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	2938.0 (FY 83)					
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

No source indicated by sponsor other than general fund.

ANALYSIS: Attach a separate page for analysis

Prepared By: Mar Winegar Phone: 465-4750  
Division: Municipal and Regional Assistance Date: 12/29/83  
Approved by Commissioner: [Signature] Date: 12/29/83  
Agency: Community and Regional Affairs

Distribution (by Agency preparing fiscal note):

Legislative Finance  
Legislative Sponsor  
Requestor  
Office of Management and Budget  
Impacted Agency(ies)

12/1/83

STATE OF ALASKA 1984 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date: 12/29/83

Bill/Resolution No.: HB 152 CS  
Title: Supp Approp/MISC SVS Acct/Effective  
Date

ANALYSIS:

Assumptions:

As this supplemental appropriation would be administered through an existing Community and Regional Affairs program, there would be no fiscal impact other than the increased amount of grant money made available to municipalities. However, as this applies to the fiscal year ending June 30, 1983, it is probably moot.

Positions:

Other Expenditures:

Funding:

Section Cost Analysis:

Computations:

Economic Impact:

Impact on Local Government:

Attachments

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

POUCH B  
JUNEAU, ALASKA 99811  
PHONE: (907) 465-4700

February 15, 1983

POSITION PAPER

RE: CSHB 152

SPONSOR: House Community & Regional Affairs Committee

Program Effects of Bill

The bill makes a \$2.938 million supplemental appropriation to fully fund Chapter 89 State Revenue Sharing. This chapter funds roads, ice roads, health facility and hospital operations, unincorporated communities and volunteer fire departments serving unincorporated areas in the unorganized borough.

Comments

The Department believes it is important to fully fund programs that allow municipalities and unincorporated communities to provide vital services to their residents. The current funding level for Chapter 89 requires that local allocations be prorated at about 81% of their fully funded level. The funding for this program must be weighed against other State needs to determine if its priority warrants full funding. The Department does not have funds available from within its FY'83 budget to reduce or offset this supplemental appropriation.

*McLean*  
2/16/83

STATE OF ALASKA  
PRELIMINARY STATEMENT OF FISCAL IMPACT

Bill No: CSHB 152 Date on Bill: Undated  
 Title: Supplemental appropriation to miscellaneous services account  
 Sponsor: House Community & Regional Affairs  
 Requestor: House Community & Regional Affairs

1. Estimated fiscal impacts on: Department of Community & Regional Affairs

a. Expenditures:

(Thousands of Dollars)

			FY 83	FY 84	FY 85	FY 86		
Capital				-0-	-0-	-0-		
Operating				-0-	-0-	-0-		
Total				-0-	-0-	-0-		

b. Revenues:

Revenue								
---------	--	--	--	--	--	--	--	--

2. Source of funds to offset fiscal impact of bill:

The sponsor has not indicated the source of offset for the supplemental appropriation of \$2,938,000.

3. Assumptions:

This supplemental appropriation would be administered through an existing Department program. No fiscal impact

4. Disclaimer:

This statement has not been reviewed by the OMB in the Office of the Governor. It does not represent the policy of the Sheffield Administration or the final estimate of fiscal impact.

Prepared By: Richard Rainery Phone: 465-4703  
 Division: Commissioner's Office Date: 2/15/83

Approved by Commissioner: *M. Mat Lewis* Date: 2/16/83  
 Department: Community & Regional Affairs

5. Distribution:

- Original to Legislative Finance
- Copy to OMB
- Copy to Sponsor
- Copy to Requestor

2/8/83

STATE OF ALASKA  
THE LEGISLATURE  
LEGISLATIVE AFFAIRS AGENCY

FEB 15 1983

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

MEMORANDUM

February 15, 1983

SUBJECT: Constitutional spending limit

TO: Representative Barbara Lacher  
Chairman, House Community and Regional  
Affairs Committee

FROM: Billy G. Berrier *BGB*  
Director  
Division of Legal Services

You have asked whether supplemental appropriations for fiscal year 1983 reduce the amount available for appropriation in fiscal year 1984 under section 16, Article IX, Constitution of the State of Alaska (the spending limit amendment).

In my opinion they do not.

First and conclusive is the provision in section 28 of Article XV of the Constitution which reads:

APPLICATION OF AMENDMENT. The 1982 amendment limiting appropriation increases (art. IX, sec. 16) applies to appropriations made for fiscal year 1984 and thereafter.

This section excludes earlier appropriations, that is in practical effect fiscal year 1983 appropriations, from the spending limit.

Even if the spending limit applied supplemental appropriations would be counted against the limit in the year the appropriations were available. The relevant part of section 16, Article IX reads:

. . . appropriations from the treasury for a fiscal year shall not exceed . . . (Emphasis added)

Representative Barbara Lacher  
Page 2  
February 15, 1983

A supplemental appropriation is for the current fiscal year. Therefore, they would be counted against the limit for the fiscal year in which they were made. For example a fiscal year 1984 supplemental must be within the available appropriation limit for fiscal year 1984. A fiscal year 1983 appropriation is for fiscal year 1983 spending authority and is not part of the fiscal year 1984.

BGB:ljb

February 4, 1983

TO: HB 152 files

FROM: Paula

Spoke with Terry Early re: rev. sharing shortfall FY 83.

Ch. 101 SCSHB 148 fin. Pg. 15 Session laws, v. 2

\$55,721,000 appropriated to Ch 88-95

Breakdown

Ch. 88 \$34,913,800

Ch. 89 14,061,200 - miscellaneous.

Ch. 90 6,746,300 Hosp. + Health Fac. Construction

Appropriated almost identical for previous year except for some extra funds added for health care. The road mileage came in higher and unexpected in two areas primarily - Kenai and Mat-Su

Proration factor approaches 83%



Official Business

# Alaska State Legislature

## House of Representatives

Committee on

Community & Regional Affairs

Pouch V  
State Capitol  
Juneau, Alaska 99811

### REVENUE SHARING

Entitlements to municipalities established in AS 29.89 are for roads, hospitals and health facilities, volunteer fire departments in the unorganized borough, unincorporated communities, and area cost of living differentials.

The FY 83 allocation for these entitlements failed to cover the large increase in eligible road maintenance funding and an 80 percent proration of the funding occurred.

81-83 %

Shortfall of entitlement - \$3.5 million.

Includes 52 and 153 on some of  
- Knows date on comparison SB as of 1/11/78 etc.

FR requests of 2 & 3 FR 3 Feb.  
PSR Stated

get psr from main depts.

Wifresses - get OMPI on 1/15/75  
from street municipalities  
Esp. Ketchum, Anthony, Kansas, FKS, MPT SA  
Guram, Rome, Bethel  
(Guram can probably help get them)

- provide copy of AS 28.89, 29.95

- Get Dept EPA Troy Pa. testify  
Main depts  
Guram City-Borough  
Pat Anderson

- Will not make contact for other backup.

Romith Jobs  
FR  
Dept psr  
main psr  
Director of receipt by city  
Bill  
municipal message



WRITE  
COLUMN

	1	2	3	4	5	
1	Tanana	89635	108864	119229	110216	20581
2	Unalaska	109363	132824	23461	134474	25111
3	Valdez	299784	364095	64311	368617	68833
4	Wrangell	240046	291542	51496	295164	65118
5	Ukuk	14231	17282	3053	17492	3268
6						
7	Akiuk	3743	10619	1876	10751	2008
8	Akiachuk	30248	37430	6582	37992	7644
9	Akiak	12268	14900	2632	15085	2917
10	Akolmut	82107	99625	17518	100855	18748
11	Akutun	—	—	—	—	—
12	Akarnuk	32188	39234	6946	40228	7410
13	Aknagik	29167	35424	6257	35264	6697
14	Allakut	11314	13741	2427	13911	2597
15	Ambler	23216	28225	5109	29284	5468
16	MARK TUNNE PASS Anderson	16914	20543	3629	20728	3881
17	Angoon	17695	21420	3775	21235	4040
18	Aniak	82451	100139	17688	101322	18731
19	Anvik	9451	110992	1941	11129	2078
20	Armanthak	8742	10609	1866	10740	1997
21	Bethel	234003	284203	50900	287233	53730
22	Brevia Mission	7051	10992	1941	11129	2078
23	Buckland	—	—	—	—	—
24	Cheternak	8724	10595	1871	10227	2003
25	Chenak	11587	14022	2485	14247	2610
26	Chwathookuk	30547	37101	6554	37562	7015
27	York's Point	—	—	—	—	—
28	Cold Bay	—	—	—	—	—
29	Deerha	10691	12985	2294	13146	2455
30	Delta Station	33204	40288	7084	40786	7582
31	Diomedes	—	—	—	—	—
32	Eagle	6329	7687	1358	7785	1454
33	Eek	8224	10595	1871	10227	2003
34	Ekwok	8468	10312	1804	10339	1931
35	Elin	13577	11490	2913	16698	3118
36	Ermonak	30529	36787	6499	37244	7055
37	Fort Yukon	58269	46433	3164	47007	3738
38	Fortna ledge	23992	29132	5146	29500	5582
39	Gambell	—	—	—	—	—
40	Golovin	40447	49124	8677	49734	9287

COL. 1. WRITE

	1	2	3	4	5	
1	Gardner's Bay	10769	13079	2310	1324	2472
2	Graveling	27436	33322	5886	33736	6300
3	Holy Cross	20365	24734	4369	25041	4676
4	Hopper Bay	<del>E</del>	<del>E</del>	<del>E</del>	<del>E</del>	<del>E</del>
5	Houston	67254	81682	14428	82696	15442
6	Huakas	<del>E</del>	<del>E</del>	<del>E</del>	<del>E</del>	<del>E</del>
7	Huklaia	59115	71797	12682	72689	13574
8	Kachernak	<del>E</del>	<del>E</del>	<del>E</del>	<del>E</del>	<del>E</del>
9	Kastorik	<del>E</del>	<del>E</del>	<del>E</del>	<del>E</del>	<del>E</del>
10	Kaltan	14708	17863	3155	18085	3377
11	Kasach	6498	7392	1394	7990	1492
12	Kiana	16744	20336	3592	20589	3845
13	Kuialina	<del>E</del>	<del>E</del>	<del>E</del>	<del>E</del>	<del>E</del>
14	Kobuk	9051	10992	1741	11129	2078
15	Kotlek	8724	10595	1371	10727	2003
16	Kotzebue	53091	64480	11389	65281	12190
17	Koyuk	14114	17142	3028	17355	3241
18	Koyukuk	<del>E</del>	<del>E</del>	<del>E</del>	<del>E</del>	<del>E</del>
19	Kupcarok	<del>E</del>	<del>E</del>	<del>E</del>	<del>E</del>	<del>E</del>
20	Kurothuk	8724	10595	1371	10727	2003
21	Lassen Bay	<del>E</del>	<del>E</del>	<del>E</del>	<del>E</del>	<del>E</del>
22	Lower Lake Bay	80138	97116	16978	98322	18184
23	Manokotok	<del>E</del>	<del>E</del>	<del>E</del>	<del>E</del>	<del>E</del>
24	McAnath	41946	50915	8999	51578	9622
25	Motomuk	8724	10595	1371	10727	2003
26	Mountain Valley	8743	10609	1366	10740	1797
27	Napakak	<del>E</del>	<del>E</del>	<del>E</del>	<del>E</del>	<del>E</del>
28	Napakak	8724	10595	1371	10727	2003
29	Nenkalen	8408	10212	1304	10339	1731
30	New Struvalok	<del>E</del>	<del>E</del>	<del>E</del>	<del>E</del>	<del>E</del>
31	Newtok	8724	10595	1371	10727	2003
32	Nightmute	8724	10395	1371	10727	2003
33	Nikalai	9374	11336	2002	11477	2143
34	Nonakton	12350	14999	2649	15185	2835
35	Noonuk	15896	19366	3410	19546	3650
36	Nulatt	21870	32635	5765	33040	6170
37	Nuigut	<del>E</del>	<del>E</del>	<del>E</del>	<del>E</del>	<del>E</del>
38	Old Harbor	9727	11814	2087	11761	2234
39	Ousindie	6776	8230	1454	8332	1556
40	Pilot Station	5452	6622	1170	6704	1250

COLUMN WRITE

	1	2	3	4	5	
1	Platinum	0	0	0	0	
2	Point Hope	0	0	0	0	
3	Point Alexander	0	0	0	0	
4	Point Heiden	78304	95102	126798	96284	
5	Point Loring	7410	9000	1590	7111	
6	Quinhagak	11450	13907	2457	14079	
7	Ruker	0	0	0	0	
8	Russian Mission	0	0	0	0	
9	St. Michael	9051	10992	1941	11129	
10	St. Paul	98537	119676	21139	121162	
11	Savonoga	0	0	0	0	
12	Saxman	6198	7892	1394	7990	
13	Scammon Bay	12132	14735	2203	14918	
14	Selawik	0	0	0	0	
15	Shageluk	15952	19375	3423	19615	
16	Shaktolik	49499	60117	10618	60864	
17	Sheldon Point	0	0	0	0	
18	Shishmaref	5600	10801	1201	6226	
19	Shungnak	13294	16145	2851	16346	
20	Stebbins	9051	10992	1941	11129	
21	Teller	16659	20233	3574	20485	
22	Tenake Springs	10956	13306	2350	13471	
23	Togiak	21546	26169	4623	26494	
24	Toksook Bay	2724	10595	1871	10727	
25	Tulkoak	111780	135760	23980	137447	
26	Tununak	2724	10595	1871	10727	
27	Umanaleet	35978	43697	7719	44239	
28	Upper Kalskag	0	0	0	0	
29	Upernivik	0	0	0	0	
30	Wales	8408	10812	1804	10339	
31	Wainilla	112380	136367	24087	138061	
32	White Mountain	15634	18980	3354	19224	
33	Whittier	14118	17147	3029	17360	
34						
35	VED'S (APR 82 capacity)	6141	7452	1317	7551	
36	UNINCORP'S (ad 308.11 22 st)	1599719	1578542	278223	1598418	
37						
38			215,000 capacity		29,990 capacity	
39			224,144.72		224,771.06	
40						
		12031132	17046443	3009441	17252083	3221091

*file for [unclear]*

Introduced by: Mayor  
Date: Feb. 1, 1983  
Vote: Unanimous  
Action: Adopted

KENAI PENINSULA BOROUGH

RESOLUTION 83-32

FEB 7 1983

A RESOLUTION SUPPORTING FULL FUNDING OF FISCAL YEAR 1983 MUNICIPAL ASSISTANCE REVENUES AND STATE REVENUE SHARING.

WHEREAS, the continuation of adequate levels of state financial aid is essential for Alaskan local governments to continue to provide important, needed services to their citizens while holding down local taxes; and

WHEREAS, Municipal Assistance revenues are a sharing of corporate income tax revenues by the state with local governments; and

WHEREAS, Alaskan local governments were assured that they would suffer no financial harm when during the 1981 legislative session SB 524 was approved which changed the method of taxation of the petroleum industry by transferring much of the corporate income taxes previously paid by that industry to severance taxes; and

WHEREAS, the FY 1983 Municipal Assistance appropriation of \$71.3 million represents a \$25.1 million shortfall from the \$96.4 million minimum funding level which would have existed had not SB 524 been approved.

WHEREAS, the Section 89 State Revenue Sharing entitlement provides state aid to local governments for categorical services such as road maintenance and health facilities and hospitals; and

WHEREAS, the FY 1983 Section 89 State Revenue Sharing entitlement for roads, health facilities-hospitals, and volunteer fire departments was funded at only approximately 80% of the amount authorized by state statutes;

NOW THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:

Section 1. That the Kenai Peninsula Borough Assembly supports and endorses the supplemental appropriation of \$25.1 million FY 1983 Municipal Assistance revenues to fully fund the entitlement at the amount which would have existed had not the method of taxation of petroleum industry been changed.

Section 2. That the Kenai Peninsula Borough Assembly supports and endorses the supplemental appropriation of \$3.5 million of FY 1983 Section 89 State Revenue Sharing for roads, health facilities-hospitals, and volunteer fire departments to fully fund the entitlement at the level authorized by state statutes.

Section 3. That the State Legislature appropriate and the Governor approve the aforementioned supplemental appropriation by April 15, 1983, so that local governments can use the additional funding in setting their 1983 mill levies.

Section 4. That copies this resolution be delivered to Governor William J. Sheffield, and to all members of the Thirteenth Alaska Legislature.

ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH ON THIS 1st DAY OF February, 1983.

*Donald L. McCloud*  
Donald L. McCloud, Assembly President

ATTEST:

*Frances Beymer*  
Borough Clerk

*Alaska*  
**MUNICIPAL**  
*League*

TELEPHONES  
(907) 586-1325  
586-6526

204 N FRANKLIN ST.  
JUNEAU, ALASKA 99801

January 27, 1983

To: Senate CRA Committee

From: Ginny Chitwood, AML Executive Director *Ginny*

Re: SB 17 - Municipal Assistance Supplemental

Apologies for the confusion over numbers at Tuesday's committee meeting. Mr. Donohue from the Department of Revenue, was reading from a table of estimates prepared by the Department in January of 1982, a copy of which is printed on the back of this memo. At that time, the Department estimated that corporate income tax receipts would have been \$1.08 billion if the oil and gas tax had not been changed (SB 524), making the 10% sharing to municipalities in 1983 \$108 million. Two months later, the Department lowered their revenue projections, decreasing the estimate under the current law from \$744 million to \$713 million and the estimate of the amount that would have been generated under the old law from \$1.08 billion to \$964 million.

124

Revenue Sharing Impact  
(Millions of Current Dollars)

FY	Corporation Taxes (Previous Statutes)		TOTAL Corp. Taxes (TCT)	10% TCT	Corporation Taxes (Current Statutes)		TOTAL Corp. Taxes (TCT)	10% TCT	30% TCT	FY
	43.20 Non Petroleum	43.21 Petroleum			43.20 amended Non Petroleum	43.20 amended Petroleum				
82	\$35	\$1047	\$1082	\$108	\$31	\$713	\$744	\$74	\$223	82
83	42	1101	1143	114	31	304	335	34	101	83
84	49	1233	1282	128	37	360	397	40	119	84
85	56	1436	1492	149	42	373	415	42	125	85

The comparisons, for illustrative purposes only, reveal what would have been shared if previous statutes had been in effect versus what will in fact be shared, assuming this proposal is implemented in conjunction with current statutes. The aforementioned general fund numbers represent total amounts of revenue to be shared under this proposal.

MUNICIPAL SUPPLEMENTAL - \$28.6 MILLION

"The Alaska Municipal League supports the supplemental appropriation of \$28.6 million: \$25.1 million FY 83 Municipal Assistance Revenues to fully fund the entitlement at the amount had not the method of taxation of the petroleum industry been changed during the 1981 State legislative Session and \$3.5 million FY 83 Chapter 89 State Revenue Sharing for roads, health facilities and hospitals, volunteer fire departments in the unorganized borough, and unincorporated communities to fully fund the entitlement at the level authorized by state statutes. The League further encourages the Legislature to appropriate and the Governor to approve the supplemental appropriation by April 15, 1983 so that local governments can use the additional funding in setting mill levies."

Municipal Assistance Fund - \$25.1 Million

FY 82	\$87.4 million appropriated
FY 83	\$71.3 million appropriated
FY 83	\$96.4 million if the legislature had not changed the Oil and Gas Corporate Income Tax

When the Legislature repealed the Gross Business License Tax, a portion of which was automatically distributed to municipalities, it created the Municipal Assistance Fund as a revenue replacement for local governments. The law provided that an amount "equal to or greater than 10%" of the proceeds of the previous year's corporate income tax, both special oil and gas and also general, could be appropriated to the fund. When the Legislature repealed the special oil and gas corporate income tax and increased the severance tax in the closing days of the 1981 session, it did not make any changes to the Municipal Assistance Fund. Following the session, however, legislative leaders publicly stated that they did not intend to adversely impact local government funding and would make corrections during the next session. In the 1982 session, the Legislature amended the law, increasing the level from 10% to 30%, which is estimated to provide almost as much as the previous system, but the Legislature did not adjust the FY 83 appropriation to reflect that intent.

Revenue Sharing, Chapter 89 - \$3.5 Million

Although most of the revenue sharing funds are distributed by the general formula established in AS 29.88, there are also entitlements established in AS 29.89 - State Aid for Miscellaneous Purposes, including roads, hospitals and health facilities, volunteer fire departments in the unorganized borough, unincorporated communities, and area cost of living differentials. The allocation for this chapter was not increased to cover the large increases in eligible roads, with the result being a projected \$3.5 million shortfall and an 80% proration of funding in these categories.

H

B

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3

# COMMITTEE REPORT HOUSE

FURTHER: FINANCE

2/2/83

Date: 2/6/83

Mr. Speaker:

The Committee on C & RA has had HB 153

An Act making a supplemental appropriation to the Department of Revenue for financial assistance to municipalities; and providing for an effective date.

under consideration and reports it back as follows:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for \_\_\_\_\_  same title
- and recommends \_\_\_\_\_  new title
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation  Zero Fiscal Note Attached
- referred to the \_\_\_\_\_ Committee

**MEMBERS SIGNING  
DO PASS**

[Signature]

J. R. W. PRINE

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

**MEMBERS HAVING  
OTHER RECOMMENDATIONS:**

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

CHAIRMAN

Funding Information  
General Fund \$25,100,000  
Other Funds -0-  
\$25,100,000

13-0636  
Cook  
1-25-83

1 IN THE HOUSE

BY LACHER

2 HOUSE BILL NO.

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making <sup>supplemental</sup> an appropriation to the Department of  
7 Revenue for financial assistance to municipalities;  
8 and providing for an effective date."

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

10 \* Section 1. The sum of \$25,100,000 is appropriated from the general  
11 fund to the Department of Revenue for the municipal assistance fund  
12 (AS 43.20.016(a)) for distribution to municipalities for the fiscal year  
13 ending June 30, 1984.83

14 \* Sec. 2. The unexpended and unobligated portion of the appropriation  
15 made by this Act lapses into the general fund June 30, 1984.

16 \* Sec. 3. This Act takes effect immediately in accordance with AS 01.-  
17 10.070(c).

18 *This should be changed - to reflect that*  
19 *money is a supplemental approp'n to get*  
20 *municipalities through current FY.*

21 *Tam suggested possibly extending lapse*  
22 *date so that municipalities have enough*  
23 *time to spend money (or so that state*  
24 *has time to distribute money)*

25 *Requested Final to T.C.*  
26 *27 Jan*



Official Business

# Alaska State Legislature

## House of Representatives

Committee on

Community & Regional Affairs

Pouch V  
State Capitol  
Juneau, Alaska 99811

### MUNICIPAL ASSISTANCE FUND

The intent of municipal assistance funds is to permit municipalities to reduce local property tax. The primary source of the fund is the severance tax on oil production.

In 1981, the source of these revenues was the special oil and gas corporate income tax which was repealed and the severance tax increased to maintain the same level of revenues. There was no change made to the municipal assistance fund which, because of the method of computation under the new law, was funded at a considerably lower level than if the law had not been changed.

Following the session, legislative leaders stated that they did not intend to adversely impact local governments and would make corrections.

In the 1982 session, the Legislature amended the law, increasing from 10% to 30% of severance tax received to be distributed to municipalities, but the legislature failed to adjust the FY 83 appropriation to reflect that intent.

FY 83 - \$96.4 million if Legislature had not changed the oil and gas corporate tax.

FY 83 - \$71.3 million appropriated

\$25.1 million shortfall

STATE OF ALASKA 1984 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date: 12/29/83

REQUEST

Bill/Resolution No.: HB 153 CS  
 Title: Supp Approp/Rev/Fin  
 Asst./Munic. Rec ID 335  
 Sponsor: C&RA Committee  
 Requestor: Jay Hogan  
 Date of Request: 12/16/83

FISCAL DETAIL

Agency Affected: Community & Regional Affairs  
 Program Category Affected: Development  
 BRU, Program or Subprogram(s) Affected: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
900 MISCELLANEOUS						
TOTAL OPERATING	No fiscal impact DCRA					
CAPITAL	No fiscal impact DCRA					
REVENUE	No fiscal impact DCRA					

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Mar Winegar  
 Division: Municipal & Regional Assistance

Phone: 465-4750  
 Date: 12/29/83

Approved by Commissioner: [Signature]  
 Agency: Community and Regional Affairs

Date: 12/29/83

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

12/1/83

STATE OF ALASKA 1984 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date: 12/29/83

Bill/Resolution No.: HB 153 CS (C&RA)  
Title: Supp Approp/Rev/Fin Asst./Munic.  
Rec ID 335

ANALYSIS:

Assumptions:

The AS 43.20.016(a) program is administered by the Department of Revenue. As a result, Community and Regional Affairs would not be fiscally impacted though the legislation could be helpful to municipalities.

Positions:

Other Expenditures:

Funding:

Section Cost Analysis:

Computations:

Economic Impact:

Impact on Local Government:

Attachments

**DEPT. OF COMMUNITY & REGIONAL AFFAIRS**

OFFICE OF THE COMMISSIONER

POUCH B  
JUNEAU, ALASKA 99811  
PHONE: (907) 465-4700

POSITION PAPER

RE: HB 153

SPONSOR: House Community & Regional Affairs Committee

PROGRAM EFFECTS

This Legislation would provide an appropriation of \$25,100,000 to the Department of Revenue for distribution under the Municipal Assistance Program.

COMMENTS

The Municipal Assistance Program guidelines call for a maximum of 30% of Corporate Income Tax revenues to be allocated to municipal assistance. This appropriation would bring the level of funding for FY 1983 up to this 30% maximum. The funding for this bill does not appear to have been included in the Governor's budget and the sponsor has not indicated where reductions would be made.

*M. M. [Signature]* 2/10/83

STATE OF ALASKA  
PRELIMINARY STATEMENT OF FISCAL IMPACT

Bill No: HB 153 Date on Bill: 2/2/83  
 Title: Supplemental Appropriation for financial assistance to municipalities  
 Sponsor: House Community & Regional Affairs Committee  
 Requestor: House Community & Regional Affairs Committee

1. Estimated fiscal impacts on:

a. Expenditures:

(Thousands of Dollars)

			FY 83	FY 84	FY 85	FY 86		
Capital								
Operating								
Total			0	0	0	0-		

b. Revenues:

Revenue			0	0	0	0		
---------	--	--	---	---	---	---	--	--

2. Source of funds to offset fiscal impact of bill:

The funding for this bill does not appear to have been included in the Governor's budget and the sponsor has not indicated where reduction would be made.

3. Assumptions:

This is a supplemental to an existing program.

4. Disclaimer:

This statement has not been reviewed by the OMB in the Office of the Governor. It does not represent the policy of the Sheffield Administration or the final estimate of fiscal impact.

Prepared By: Terry Earley Phone: 465-4730  
 Division: Local Government Assistance Date: 2/9/83  
 Approved by Commissioner: [Signature] Date: 2/9/83  
 Department: Community & Regional Affairs

5. Distribution:

- Original to Legislative Finance
- Copy to OMB
- Copy to Sponsor
- Copy to Requestor

2/8/83

Suggested by: City Council

CITY OF KENAI

RESOLUTION NO. 83-35

A RESOLUTION OF THE COUNCIL OF THE CITY OF KENAI, ALASKA REQUESTING THE THIRTEENTH LEGISLATURE OF THE STATE OF ALASKA TO SUPPORT SB 17 AND/OR HB 136 BOTH OF WHICH REPRESENT SUPPLEMENTAL MUNICIPAL ASSISTANCE FUNDING FOR MUNICIPALITIES THROUGHOUT THE STATE OF ALASKA.

WHEREAS, the supplemental appropriation of \$25 million for FY 83 municipal assistance revenues is designed to fully fund the entitlement at the amount had not the method of taxation of the petroleum industry been changed during the 1981 State Legislative Session, and

WHEREAS, it was the intent of the Twelfth Legislature to provide this funding for the purpose of permitting local governments to reduce taxes in the local community, and

WHEREAS, the City of Kenai, Alaska used all of its municipal assistance funding for the purpose for which the Twelfth Legislature intended municipal assistance to be used by reducing the mill levy to 2.1 mills for the property taxpayers within the City of Kenai, and

WHEREAS, the City anticipated full funding of municipal assistance at the same rate previously provided by the old corporate income tax, and

WHEREAS, to maintain this low mill levy and to meet the anticipated expectations of the local taxpayers, the supplementary municipal assistance funding becomes extremely important to the City of Kenai, Alaska, and

WHEREAS, the Twelfth Legislature of the State of Alaska is basically and primarily responsible for the actions of the Kenai City Council in reducing its mill levy and therefore entitled to a major portion of the credit for the low mill levy in the City of Kenai.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, that said Council go on record urging the Thirteenth Legislature of the State of Alaska to fund the supplemental municipal assistance bill which will permit the City of Kenai to carry out the Legislature's original intent to permit that money to be used in the General Fund Budget for the sole purpose of reducing the mill levy for local taxpayers and to

FEB 14 1983

STATE OF ALASKA  
PRELIMINARY STATEMENT OF FISCAL IMPACT

Bill No: HB 153 Date on Bill: 2/2/83  
Title: "An Act making a supplemental appropriation to the Dept. of Rev. for financial assistance  
Sponsor to municipalities; and providing for an effective date."  
Requestor: House Comm. & Reg. Affairs Committee/ Sponsor - same

1. Estimated fiscal impacts on:

a. Expenditures:

(Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86
Capital	\$25,100.0			
Operating				
Total	\$25,100.0			

b. Revenues:

Revenue				
---------	--	--	--	--

2. Source of funds to offset fiscal impact of bill:

N/A

3. Assumptions:

4. Disclaimer:

This statement has not been reviewed by the OMB in the Office of the Governor. It does not represent the policy of the Sheffield Administration or the final estimate of fiscal impact.

Prepared By: Mary Belfield - Spec. Asst. Phone: 465-2300  
Division: Commissioner's Office Date: 2/14/83

Approved by Commissioner: [Signature] Date: 2/14/83  
Department: Revenue

5. Distribution:

- Original to Legislative Finance
- Copy to OMB
- Copy to Sponsor
- Copy to Requestor

2/8/83

FEB 14 1983

STATE OF ALASKA  
PRELIMINARY STATEMENT OF FISCAL IMPACT

Bill No: HB 153 Date on Bill: 2/2/83  
Title: "An Act making a supplemental appropriation to the Dept. of Rev. for financial assistance  
Sponsor to municipalities; and providing for an effective date."  
Requestor: House Comm. & Reg. Affairs Committee/ Sponsor - same

1. Estimated fiscal impacts on:

a. Expenditures:

(Thousands of Dollars)

			FY 83	FY 84	FY 85	FY 86		
Capital			\$25,100.0					
Operating								
Total			\$25,100.0					

b. Revenues:

Revenue								
---------	--	--	--	--	--	--	--	--

2. Source of funds to offset fiscal impact of bill:

N/A

3. Assumptions:

4. Disclaimer:

This statement has not been reviewed by the OMB in the Office of the Governor. It does not represent the policy of the Sheffield Administration or the final estimate of fiscal impact.

Prepared By: Mary Rehfeld - Spec. Asst. Phone: 465-2200  
Division: Commissioner's Office Date: 2/14/83  
Approved by Commissioner: [Signature] Date: 2/14/83  
Department: Revenue

5. Distribution:

- Original to Legislative Finance
- Copy to OMB
- Copy to Sponsor
- Copy to Requestor

2/8/83

THE FOLLOWING DOCUMENT(S) MAY NOT FILM  
LEGIBLY BECAUSE OF POOR QUALITY OF THE  
ORIGINAL.

4-11  
Dep. Voucher 27



# Katavuk-Susitna Borough

BOX B PALMER ALASKA 99549 - PHONE 745-4501

DEPARTMENT OF FINANCE

February 14, 1981

Telegram to: Marketa Lachert  
Attention: Bob Barris

Subject: HB151

HB151, if passed and distributed on same formula, as used in the past, would result in about 5% being allocated to the Katavuk-Susitna Borough. This \$1.25 million equals 1.1 mills in average taxes. Municipal general funding is available to Katavuk-Susitna Borough June 1. This timing is so late in the fiscal year that it actually is used as revenue for the succeeding fiscal year. The bill would result in passage of this bill would be used to partially offset the increases in education costs which are the result of additional student enrollments of almost 600 in the last year.

Please call us if you require further information on this matter.

Vern Roberts  
Finance Director

TOP AREA

108 &



# Matanuska-Susitna Borough

BOX 60, PALMERA, ALASKA 99573, PHONE 748-2401

DEPARTMENT OF FINANCE

February 14, 1981

Teletype to: Barbara Lacher

Attention: Bob Ferris

Subject: 88192

88192, if passed, would provide a primary (\$14,000) in road maintenance money which was underfunded in current fiscal year revenue sharing. These funds, if received, would allow for continuation of snow plowing, seeding and spring grading in all road service areas in the Matanuska-Susitna Borough. Currently Greater Wilbur Road Service Area and Ripon Road Service Area (Sutton) have expended their funds and will be required to borrow money for the balance of this fiscal year. Additionally, Highway, Fairview, Lacey Heights and Milk Road Service Areas are projected to have insufficient funds to complete the fiscal year.

Please call me if you require further information.

Vero Roberto  
Finance Director

THE PRECEDING DOCUMENT(S) MAY NOT FILM  
LEGIBLY BECAUSE OF POOR QUALITY OF THE  
ORIGINAL.

FOLLOWING IS THE TEXT OF A LETTER SENT BY TELECOPY:

FEBRUARY 14, 1983

REPRESENTATIVE BARBARA LACHER  
REPRESENTATIVE RONALD LARSON  
SENATOR JALMAR KERTTULA

DEAR REPRESENTATIVES LACHER, LARSON AND SENATOR KERTTULA,

THE CURRENT SHORTFALL IN REVENUE SHARING AND MUNICIPAL ASSISTANCE TO THE CITY OF PALMER IS APPROXIMATELY \$452,959.00 OR 6.37 MILL RATE EQUIVALENT.

WE URGE YOUR SUPPORT HB 170, HB 152, SB 17, HB 136, HB 155.

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT ME,  
YOURS TRULY,

DAVID L. SOULAK, CITY MANAGER, CITY OF PALMER

MEMORANDUM

TO: House C & R A Committee

FROM: Staff

SUBJECT: HB 152 & HB 153

DATE: February 14, 1983

Telephone call received February 14, 1983 from Dorothy Jones, Matanuska-Susitna Borough Assembly member. Mrs. Jones supports passage of HB 152 and HB 153 because the property tax mill levy will have to be increased at least one mill if the funds are not received.

The Mat-Su Borough is attempting to get voter approval of a school bond issue which will increase property taxes, and any additional taxes required because of the shortfall in revenue sharing will be strongly opposed.



## THE CITY AND BOROUGH OF JUNEAU

CAPITAL OF ALASKA

155 SOUTH SEWARD ST. JUNEAU, ALASKA 99801

LAW DEPARTMENT - 586-3300

February 14, 1983

House Community and Regional  
Affairs Committee  
Pouch V  
Juneau, Alaska 99811

File: Legislature - 1983 - HB 153

Ladies and Gentlemen:

The City and Borough of Juneau urges your favorable action on HB 153, the supplemental appropriation for municipal assistance.

The city and borough depends heavily upon revenue sharing, municipal assistance, and other state assistance to keep its mill levies low. The city and borough areawide levy for the current year is 6.04 mills. For Juneau, the reduction in the municipal assistance fund which occurred last year translates into a 1.3 mill increase this next year or a significant reduction in public services. We urge you to pass out HB 153 with a do pass recommendation so that we may avoid this potential 21% increase in our areawide levy.

Sincerely,

Gerald L. Sharp  
City-Borough Attorney

GLS:jr

cc: Mayor and Assembly  
Ginny Chitwood, Executive Director  
Alaska Municipal League

# Alaska State Legislature

Barbara Lacher, Chairman  
Mae Tischer, Vice-Chairman  
Randy Phillips  
Milo Fritz  
Don Clocksin  
Jack McBride  
Mike Szymanski



Room 104  
State Capitol  
Juneau, Alaska 99811

Pouch V  
Juneau, Alaska 99811

## House of Representatives

### Committee on Community & Regional Affairs

#### MUNICIPAL ASSISTANCE FUND

The intent of municipal assistance funds is to permit municipalities to reduce local property tax. The primary source of the fund is the severance tax on oil production.

In 1981, the source of these revenues was the special oil and gas corporate income tax which was repealed and the severance tax increased to maintain the same level of revenues. There was no change made to the municipal assistance fund which, because of the method of computation under the new law, was funded at a considerably lower level than if the law had not been changed.

Following the session, legislative leaders stated that they did not intend to adversely impact local governments and would make corrections.

In the 1982 session, the Legislature amended the law, increasing from 10% to 30% of severance tax received to be distributed to municipalities, but the legislature failed to adjust the FY 83 appropriation to reflect that intent.

FY 83 - \$96.4 million if Legislature had not changed the oil and gas corporate tax.

FY 83 - \$71.3 million appropriated

\$25.1 million shortfall

**Municipality  
of  
Anchorage**



POUCH 6-650  
ANCHORAGE, ALASKA 99502-0650  
(907) 264-4431

TONY KNOWLES  
MAYOR

OFFICE OF THE MAYOR

To: House Community and Regional  
Affairs Committee

From: Patrick M. Anderson, Office of  
Legislative Affairs, Municipality  
of Anchorage

Re: HB 152 & HB 153

Date: February 14, 1983

---

The Municipality of Anchorage fully supports House Bills 152 and 153.

HB 153 would appropriate an additional \$25.1 Million to the Municipal Assistance program. The appropriation would have the effect of funding the program to the level of \$96.4 million total for FY 1983. The significance of this level of funding can be found in a short history of the municipal assistance fund. SB 524, passed during the final days of the 1981 legislative session, changed the method of taxation of the petroleum industry from corporate taxation to severance taxation. The effect was to reduce the level of corporate taxation. Since Alaska Statute 43.20.126 provided that the State may share an amount equal to or greater than 10% of the prior fiscal year's corporate income tax receipts, the net effect of SB 524 was to reduce the amount of the fund to be shared. The legislature did not increase the amount shared above the 10% mandated minimum, consequently, the reduction in the corporate income tax receipts reduced the amount of expected Municipal Assistance by \$25.1 million.

HB 153 would give the Municipality an additional estimated \$11.5 million for FY 1983. This additional funding would allow the Municipality to reduce the amount of FY 1983 property tax requirements to approximately \$40 million and reduce the the overall mill rate in Anchorage by approximately one mil, or \$100 per \$100,000 of assessed valuation.

HB 143 would provide approximately \$510,000 in State Revenue Sharing to the Municipality for road maintenance, health facilities and hospitals.

We would be happy to provide answers to specific questions.

**DEPT. OF COMMUNITY & REGIONAL AFFAIRS**

OFFICE OF THE COMMISSIONER

POUCH B  
JUNEAU, ALASKA 99811  
PHONE: (907) 465-4700

POSITION PAPER

RE: HB 153

SPONSOR: House Community & Regional Affairs Committee

PROGRAM EFFECTS

This Legislation would provide an appropriation of \$25,100,000 to the Department of Revenue for distribution under the Municipal Assistance Program.

COMMENTS

The Municipal Assistance Program guidelines call for a maximum of 30% of Corporate Income Tax revenues to be allocated to municipal assistance. This appropriation would bring the level of funding for FY 1983 up to this 30% maximum. The funding for this bill does not appear to have been included in the Governor's budget and the sponsor has not indicated where reductions would be made.

*M. Lewis 2/12/83*

STATE OF ALASKA  
PRELIMINARY STATEMENT OF FISCAL IMPACT

Bill No: HB 153 Date on Bill: 2/2/83  
 Title: Supplemental Appropriation for financial assistance to municipalities  
 Sponsor: House Community & Regional Affairs Committee  
 Requestor: House Community & Regional Affairs Committee

1. Estimated fiscal impacts on:

a. Expenditures:

(Thousands of Dollars)

			FY 83	FY 84	FY 85	FY 86		
Capital								
Operating								
Total			0	0	0	0		

b. Revenues:

Revenue			0	0	0	0		
---------	--	--	---	---	---	---	--	--

2. Source of funds to offset fiscal impact of bill:

The funding for this bill does not appear to have been included in the Governor's budget and the sponsor has not indicated where reduction would be made.

3. Assumptions:

This is a supplemental to an existing program.

4. Disclaimer:

This statement has not been reviewed by the OMB in the Office of the Governor. It does not represent the policy of the Sheffield Administration or the final estimate of fiscal impact.

Prepared By: Terry Earley Phone: 465-4730  
 Division: Local Government Assistance Date: 2/9/83  
 Approved by Commissioner: [Signature] Date: 2/9/83  
 Department: Community & Regional Affairs

5. Distribution:

- Original to Legislative Finance
- Copy to OMB
- Copy to Sponsor
- Copy to Requestor

2/8/83

Introduce with HB 152

Check status of SB Companion Bill. NOV 16

Fee from DCA Requested Feb 3

- Get impact on municipalities if not enacted.  
Anchorage, Ketchikan, Kenai Borough, MATSU Borough  
(see if Ginny Chiswood will gather it up)  
on terms of mill levies, <sup>&</sup> services.
- Witnesses - same as for HB 152
  - Brief them to get data to present in  
terms of impact if not enacted.
- Review minute and back up of SB - CPA hearing.
- position papers - Opt, Muni League - Requested 8 Feb



Official Business

# Alaska State Legislature

## House of Representatives

Committee on

Community & Regional Affairs

Pouch V  
State Capitol  
Juneau, Alaska 99811

### MUNICIPAL ASSISTANCE FUND

The intent of municipal assistance funds is to permit municipalities to reduce local property tax. The primary source of the fund is the severance tax on oil production.

In 1981, the source of these revenues was the special oil and gas corporate income tax which was repealed and the severance tax increased to maintain the same level of revenues. There was no change made to the municipal assistance fund which, because of the method of computation under the new law, was funded at a considerably lower level than if the law had not been changed.

Following the session, legislative leaders stated that they did not intend to adversely impact local governments and would make corrections.

In the 1982 session, the Legislature amended the law, increasing from 10% to 30% of severance tax received to be distributed to municipalities, but the legislature failed to adjust the FY 83 appropriation to reflect that intent.

FY 83 - \$96.4 million if Legislature had not changed the oil and gas corporate tax.

FY 83 - \$71.3 million appropriated

\$25.1 million shortfall

SENATE AMENDMENT

BY Sen. Community & Regional Affairs  
Committee

To: \_\_\_\_\_ SENATE BILL No. ZK 17

To: \_\_\_\_\_ HOUSE BILL No. \_\_\_\_\_

PAGE: 1      LINE: 13

DELETE: (1984)

ADD: 1983

*file for*

Introduced by: Mayor  
Date: Feb. 1, 1983  
Vote: Unanimous  
Action: Adopted

KENAI PENINSULA BOROUGH

RESOLUTION 83-32

FEB 7 1983

A RESOLUTION SUPPORTING FULL FUNDING OF FISCAL YEAR 1983 MUNICIPAL ASSISTANCE REVENUES AND STATE REVENUE SHARING.

WHEREAS, the continuation of adequate levels of state financial aid is essential for Alaskan local governments to continue to provide important, needed services to their citizens while holding down local taxes; and

WHEREAS, Municipal Assistance revenues are a sharing of corporate income tax revenues by the state with local governments; and

WHEREAS, Alaskan local governments were assured that they would suffer no financial harm when during the 1981 legislative session SB 524 was approved which changed the method of taxation of the petroleum industry by transferring much of the corporate income taxes previously paid by that industry to severance taxes; and

WHEREAS, the FY 1983 Municipal Assistance appropriation of \$71.3 million represents a \$25.1 million shortfall from the \$96.4 million minimum funding level which would have existed had not SB 524 been approved.

WHEREAS, the Section 89 State Revenue Sharing entitlement provides state aid to local governments for categorical services such as road maintenance and health facilities and hospitals; and

WHEREAS, the FY 1983 Section 89 State Revenue Sharing entitlement for roads, health facilities-hospitals, and volunteer fire departments was funded at only approximately 80% of the amount authorized by state statutes;

NOW THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:

Section 1. That the Kenai Peninsula Borough Assembly supports and endorses the supplemental appropriation of \$25.1 million FY 1983 Municipal Assistance revenues to fully fund the entitlement at the amount which would have existed had not the method of taxation of petroleum industry been changed.

Section 2. That the Kenai Peninsula Borough Assembly supports and endorses the supplemental appropriation of \$3.5 million of FY 1983 Section 89 State Revenue Sharing for roads, health facilities-hospitals, and volunteer fire departments to fully fund the entitlement at the level authorized by state statutes.

Section 3. That the State Legislature appropriate and the Governor approve the aforementioned supplemental appropriation by April 15, 1983, so that local governments can use the additional funding in setting their 1983 mill levies.

Section 4. That copies this resolution be delivered to Governor William J. Sheffield, and to all members of the Thirteenth Alaska Legislature.

ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH ON THIS 1st DAY OF February, 1983.

Donald L. McCloud  
Donald L. McCloud, Assembly President

ATTEST:

Frances Beymer  
Borough Clerk