

ALASKA LEGISLATURE COMMITTEE FILES 1905-1900 00/2

3871 SCRA SB 244 (FILE 2) - SB 270 149

## ALASKA PERMANENT FUND CORPORATION

STATEMENT OF CHANGES IN FUND EQUITY  
DECEMBER 31, 1984

<u>Current Month</u>	<u>Total</u>	<u>Contributed Equity</u>	<u>Reserve for Inflation and Dividends</u>	<u>Unrealized Loss on Stock</u>	<u>Undistributed Income</u>
Balance, November 30, 1984	\$ 5,908,005,000	\$ 5,099,192,000	\$809,184,000	(371,000)	
Net income from operations	54,499,000				\$ 54,499,000
Dedicated state revenues	229,871,000	229,871,000			
Provision for 1985 dividends			18,084,000		(18,084,000)
Provision for 1985 inflation proofing			17,256,000		(17,256,000)
Allowance for unrealized loss on preferred and common stock	371,000			371,000	
Provision for future inflation and dividends			19,159,000		(19,159,000)
Balance, December 31, 1984	<u>\$ 6,192,746,000</u>	<u>\$ 5,329,063,000</u>	<u>\$863,683,000</u>	<u>\$</u>	<u>\$</u>
<u>Year-to-Date</u>					
Balance, June 30, 1984	\$ 5,374,820,000	\$ 4,838,344,000	\$557,347,000	\$(20,871,000)	
Net income from operations	306,336,000				\$306,336,000
Dedicated state revenues	490,718,000	490,718,000			
Citizen Contribution	1,000	1,000			
Provision for 1985 dividends			106,459,000		(106,459,000)
Provision for 1985 inflation			110,047,000		(110,047,000)
Allowance for unrealized loss on preferred & common stock	20,871,000			20,871,000	
Provision for future inflation and dividends			89,830,000		(89,830,000)
Balance, December 31, 1984	<u>\$ 6,192,746,000</u>	<u>\$ 5,329,063,000</u>	<u>\$863,683,000</u>	<u>\$</u>	<u>\$</u>

ALASKA PERMANENT FUND CORPORATION  
STATEMENT OF CHANGES IN CONDITION

(continued)

	<u>CURRENT MONTH</u>	<u>YEAR-TO-DATE</u>
<u>SUMMARY OF CHANGES</u>		
(Decrease)/Increase in cash	\$ (389,000)	\$ 91,000
Decrease in repurchase agreements	<u>(52,100,000)</u>	<u>(100,500,000)</u>
Net Change in Funds	<u>\$ (52,489,000)</u>	<u>\$ (100,409,000)</u>

ALASKA PERMANENT FUND CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1984

1. ENTITY

The Constitution of the State of Alaska was amended by public referendum in 1976 to provide for the dedication of certain natural resource revenues to the Permanent Fund. The principal of the Permanent Fund is invested in perpetuity. In 1980, the State Legislature created the Alaska Permanent Fund Corporation (the "Corporation"), a public corporation separate from the agencies of State government and governed by a Board of Trustees, (the "Trustees"), to manage the investments of the Permanent Fund. In 1982, the Legislature amended the law to provide that a portion of the annual earnings would be made available to the State for the payment of dividends and that a portion would be contributed to the principal of the Permanent Fund sufficient to offset the impact of inflation. The balance was to be retained by the Corporation in an undistributed income account.

2. SIGNIFICANT ACCOUNTING POLICIES

Contributions -

Contributions by operation of statute are recorded when they become due from the State, i.e., when certain revenues are received by the State Department of Natural Resources.

Contributions by appropriation are recorded when they are received.

Depreciation -

Furniture and equipment are depreciated on a straight-line basis over a three year useful life. Other property is depreciated on a straight-line basis over a five year useful life.

Dividend appropriations -

Current law directs that one-half of a five year moving average of the net income of the Corporation be made available for the payment of dividends each year.

Funds -

For purposes of the Statement of Changes in Financial Position, the term "Funds" has been defined as cash and repurchase agreements.

4. MARKETABLE DEBT SECURITIES

The estimated market values of debt securities at December 31, 1984 are as follows:

	<u>AMOUNT</u>	<u>YIELD</u>
Repurchase Agreements	\$ 24,100,000	8.46%
Short Term Issues	147,857,000	9.36%
Intermediate and Long Term Issues	<u>5,207,277,000</u>	<u>11.61%</u>
	<u>\$5,379,234,000</u>	<u>11.53%</u>

All of the Corporation's investment securities are held by commercial lending institutions pursuant to custodial agreements.

5. COMMON STOCK

At December 31, 1984, the investment in preferred and common stock was valued at cost, which was less than the aggregate market value of \$514,908,000 on that date. The dividend yield on preferred and common stock amounted to 4.49 percent.

6. REAL ESTATE EQUITY POOLS

At December 31, 1984, the investment in real estate equity pools was valued at market, which approximates cost. Future adjustments to market value will be based upon independent appraisals of the properties which constitute the pools.

7. PARTICIPATING REAL ESTATE MORTGAGES

The investment in participating real estate mortgages conveys an undivided interest in real property acquired in connection with a loan made on and collateralized by certain real estate. At December 31, 1984 the investment was valued at market, which approximates cost. Future adjustments to market value will be determined by the combined total of (i) an annual appraisal of the real property, and (ii) the difference between the present value of the mortgage and the outstanding principal balance of the note. Terms of the mortgage note provide for interest at 10.5 percent per annum. In addition, the Corporation will participate to the extent of its percentage of ownership in future net cash flow derived from leasing the property. The total amount of interest and net cash flow each year is limited to the maximum rate for interest allowed under applicable State of Texas or federal law.

8. CONTRIBUTED EQUITY

The principal balance of the Alaska Permanent Fund at December 31, 1984 was composed of the following elements:

Dedicated state revenues	\$ 2,246,936,000
Appropriations from the State	2,700,000,000
Provision for inflation	<u>382,127,000</u>
	<u>\$ 5,329,063,000</u>

~~Plates~~

Hstn - Bob LeMayne  
Mayor - City Cuel  
Cordova  
Seward

Sr2 Cit x r  
9 2 2 2 2  
p

Plaesman - 10/22/85

Chap 88 - refine what level  
appropriation was in past  
to past appropriation

Nov 15<sup>th</sup>

What is happening to local gov. : sts  
How to handle

School bonds - how much  
bills in committee - HCRRA or SC&RA

Class. of cities

State forces cities to reimburse - but  
State does not fully repay city

Febks will only receive 40-45% Reim.

Vet, Sr2 Cit, Wat/Sew

Plaesman - prepare report on amt of shortfalls

40. Mayor Frank W. Geiger  
City of Delta Junction  
P.O. Box 229  
Delta Junction, AK 99737  
T29:110 895-4656
41. Louis E. Heinbockel, V. Mayor  
City Council  
City of Delta Junction  
P.O. Box 229  
Delta Junction, AK 99737  
T29:110
42. Marvin Hinsley, Member  
City Council  
City of Delta Junction  
P.O. Box 229  
Delta Junction, AK 99737  
T29:110
43. Mary A. Dowling, Member  
City Council  
City of Delta Junction  
P.O. Box 229  
Delta Junction, AK 99737  
T29:110
44. Leonard A. Lemon, Member  
City Council  
City of Delta Junction  
P.O. Box 229  
Delta Junction, AK 99737  
T29:110
45. Donald G. Cox, Member  
City Council  
City of Delta Junction  
P.O. Box 229  
Delta Junction, AK 99737  
T29:110
46. Frederick Ready, Member  
City Council  
City of Delta Junction  
P.O. Box 229  
Delta Junction, AK 99737  
T29:110
47. Stan Orcutt, Chairman  
Planning/Zoning Commission  
City of Delta Junction  
P.O. Box 229  
Delta Junction, AK 99737  
T29:110
48. Dan Webber, Member  
Planning/Zoning Commission  
City of Delta Junction  
P.O. Box 229  
Delta Junction, AK 99737  
T29:110
49. Kent Scifres, Member  
Planning/Zoning Commission  
City of Delta Junction  
P.O. Box 229  
Delta Junction, AK 99737  
T29:110
50. Jim Funderburk, Member  
Planning/Zoning Commission  
City of Delta Junction  
P.O. Box 229  
Delta Junction, AK 99737  
T29:110
51. Fran Colombo, Member  
Planning/Zoning Commission  
City of Delta Junction  
P.O. Box 229  
Delta Junction, AK 99737  
T29:110

52. Al Abreu, Member  
Planning/Zoning Commission  
City of Delta Junction  
P.O. Box 229  
Delta Junction, AK 99737  
T29:110
53. Steve Phillips, Member  
Planning/Zoning Commission  
City of Delta Junction  
P.O. Box 229  
Delta Junction, AK 99737  
T29:110
61. Mayor B. B. Allen  
Fbks. No. Star Borough  
P.O. Box 1267  
Fairbanks, AK 99707  
T29:110 452-4761
62. Assemblyman Chris Birch  
Municipal Assembly  
Fbks. No. Star Borough  
P.O. Box 1267  
Fairbanks, AK 99707  
T29:110
63. Bonnie Brody, Member  
Borough School Board  
Fbks. No. Star Borough  
P.O. Box 1267  
Fairbanks, AK 99707  
T29:110
64. Assemblyman J. B. Carnahan  
Municipal Assembly  
Fbks. No. Star Borough  
P.O. Box 1267  
Fairbanks, AK 99707  
T29:110
65. Assemblyman Paul Chizmar  
Municipal Assembly  
Fbks. No. Star Borough  
P.O. Box 1267  
Fairbanks, AK 99707  
T29:110
66. Marvin Falk, Member  
Borough School Board  
Fbks. No. Star Borough  
P.O. Box 1267  
Fairbanks, AK 99707  
T29:110
67. Audrey Foldoe, Commissioner  
Planning/Zoning Commission  
Fbks. No. Star Borough  
Fairbanks, AK 99707  
T29:110
68. Charles Goff, Jr.  
Commissioner  
Fbks. No. Star Borough  
P.O. Box 1267  
Fairbanks, AK 99707  
T29:110
69. Deputy Clerk Martha Harrell  
Municipal Assembly  
Fbks. No. Star Borough  
P.O. Box 1267  
Fairbanks, AK 99707  
T29:110
70. Assemblyman Juanita Helms  
Municipal Assembly  
Fbks. No. Star Borough  
P.O. Box 1267  
Fairbanks, AK 99707  
T29:110

71. Ronald Hunt, Commissioner  
Planning/Zoning Commission  
Fbks. No. Star Borough  
P.O. Box 1267  
Fairbanks, AK 99707  
T29:110
72. Jeanette James, Commissioner  
Planning/Zoning Commission  
Fbks. No. Star Borough  
P.O. Box 1267  
Fairbanks, AK 99707  
T29:110
73. Edward Malhiot, Commissioner  
Planning/Zoning Commission  
Fbks. No. Star Borough  
P.O. Box 1267  
Fairbanks, AK 99707  
T29:110
74. Ray Marley, Commissioner  
Planning/Zoning Commission  
Fbks. No. Star Borough  
P.O. Box 1267  
Fairbanks, AK 99707  
T29:110
75. Stella Marshall, Commissioner  
Planning/Zoning Commission  
Fbks. No. Star Borough  
P.O. Box 1267  
Fairbanks, AK 99707  
T29:110
76. Sharon Mavencamp, Commissioner  
Planning/Zoning Commission  
Fbks. No. Star Borough  
P.O. Box 1267  
Fairbanks, AK 99707  
T29:110
77. Karen Morris, Commissioner  
Planning/Zoning Commission  
Fbks. No. Star Borough  
P.O. Box 1267  
Fairbanks, AK 99707  
T29:110
78. Gary Newman, Commissioner  
Planning/Zoning Commission  
Fbks. No. Star Borough  
P.O. Box 1267  
Fairbanks, AK 99707  
T29:110
79. Assemblyman Jerry Norum  
Municipal Assembly  
Fbks. No. Star Borough  
P.O. Box 1267  
Fairbanks, AK 99707  
T29:110
80. Assemblyman Buzz Otis  
Municipal Assembly  
Fbks. No. Star Borough  
P.O. Box 1267  
Fairbanks, AK 99707  
T29:110
81. Doris Ray, Member  
Borough School Board  
Fbks. No. Star Borough  
P.O. Box 1267  
Fairbanks, AK 99707  
T29:110
82. Gene Redden, Member  
Borough School Board  
Fbks. No. Star Borough  
P.O. Box 1267  
Fairbanks, AK 99707  
T29:110

83. Assemblyman Harry Reimer  
Municipal Assembly  
Fbks. No. Star Borough  
P.O. Box 1267  
Fairbanks, AK 99707  
T29:110
84. Gerald J. Romick, Commissioner  
Planning/Zoning Commission  
Fbks. No. Star Borough  
P.O. Box 1267  
Fairbanks, AK 99707  
T29:110
85. Assemblyman Ed Shellinger  
Municipal Assembly  
Fbks. No. Star Borough  
P.O. Box 1267  
Fairbanks, AK 99707  
T29:110
86. Marguerite Stetson, Member  
Borough School Board  
Fbks. No. Star Borough  
P.O. Box 1267  
Fairbanks, AK 99707  
T29:110
87. Assemblyman Sandra Stringer  
Municipal Assembly  
Fbks. No. Star Borough  
P.O. Box 1267  
Fairbanks, AK 99707  
T29:110
88. Barbara Tabbert, President  
Borough School Board  
Fbks. No. Star Borough  
P.O. Box 1267  
Fairbanks, AK 99707  
T29:110
89. Mayor Bill Walley  
City of Fairbanks  
410 Cushman Street  
Fairbanks, AK 99701  
Home Phone: 452-1881  
T29:110
90. Assemblyman Bruce Wammack  
Municipal Assembly  
Fbks. No. Star Borough  
P.O. Box 1267  
Fairbanks, AK 99707  
T29:110
91. H. O. Williams, Member  
Borough School Board  
Fbks. No. Star Borough  
P.O. Box 1267  
Fairbanks, AK 99707  
T29:110
92. Assemblyman Phil Younker  
Municipal Assembly  
Fbks. No. Star Borough  
P.O. Box 1267  
Fairbanks, AK 99707  
T29:110
93. Chris Anderson, Member  
City Council  
City of Fairbanks  
410 Cushman Street  
Fairbanks, AK 99701  
T29:110
94. Valerie Therrien, Member  
City Council  
City of Fairbanks  
410 Cushman Street  
Fairbanks, AK 99701  
T29:110

95. Paul Whitney, Member  
City Council  
City of Fairbanks  
410 Cushman Street  
Fairbanks, AK 99701  
T29:110
96. Ted Lehne, Member  
City Council  
City of Fairbanks  
410 Cushman Street  
Fairbanks, AK 99701  
T29:110
97. John Immel, Member  
City Council  
City of Fairbanks  
410 Cushman Street  
Fairbanks, AK 99701  
T29:110
98. Janet Halvarson, Member  
City Council  
City of Fairbanks  
410 Cushman Street  
Fairbanks, AK 99701  
T29:110
99. Robert Wolting, Fin. Director  
City of Fairbanks  
410 Cushman Street  
Fairbanks, AK 99701  
Home Phone: 452-1881  
T29:110
100. W. C. Droz, Manager  
City of Fairbanks  
410 Cushman Street  
Fairbanks, AK 99701  
Home Phone: 452-1881  
T29:110
102. Mayor Jonathon Solomon, Sr.  
City of Fort Yukon  
P.O. Box 269  
Ft. Yukon, AK 99740  
T29:110 662-2379
103. James Filip, City Manager  
City of Fort Yukon  
P.O. Box 269  
Ft. Yukon, AK 99740  
T29:110
104. Diane Firmin, Member  
City Council  
City of Fort Yukon  
P.O. Box 269  
Ft. Yukon, AK 99740  
T29:110
105. Clarence Alexander, Member  
City Council  
City of Fort Yukon  
P.O. Box 269  
Ft. Yukon, AK 99740  
T29:110
106. Robert Michael, Member  
City Council  
City of Fort Yukon  
P.O. Box 269  
Ft. Yukon, AK 99740  
T29:110
107. Ray C. Nickelson, Member  
City Council  
City of Fort Yukon  
P.O. Box 269  
Ft. Yukon, AK 99740  
T29:110

108. James E. Carroll, Member  
City Council  
City of Fort Yukon  
P.O. Box 269  
Ft. Yukon, AK 99740  
T29:110
109. Steven Ginnis, P.O.  
Advisory School Board  
City of Fort Yukon  
P.O. Box 269  
Ft. Yukon, AK 99740  
T29:110
110. Richard C. Carroll, Member  
Advisory School Board  
City of Fort Yukon  
P.O. Box 269  
Ft. Yukon, AK 99740  
T29:110
111. Grafton Bergman, Member  
Advisory School Board  
City of Fort Yukon  
P.O. Box 269  
Ft. Yukon, AK 99740  
T29:110
112. Linda Evans, Member  
Advisory School Board  
City of Fort Yukon  
P.O. Box 269  
Ft. Yukon, AK 99740  
T29:110
113. Woodie Salmon, Member  
Advisory School Board  
City of Fort Yukon  
P.O. Box 269  
Ft. Yukon, AK 99740  
T29:110
114. Harold Simon, Member  
Advisory School Board  
City of Fort Yukon  
P.O. Box 269  
Ft. Yukon, AK 99740  
T29:110
115. Walter Peter, Chairman  
Planning/Zoning Commission  
City of Fort Yukon  
P.O. Box 269  
Ft. Yukon, AK 99740  
T29:110
116. Clarence Alexander, Member  
Planning/Zoning Commission  
City of Fort Yukon  
P.O. Box 269  
Ft. Yukon, AK 99740  
T29:110
117. Susan Peter, Member  
Planning/Zoning Commission  
City of Fort Yukon  
P.O. Box 269  
Ft. Yukon, AK 99740  
T29:110
118. Johnny Thomas, Member  
Planning/Zoning Commission  
City of Fort Yukon  
P.O. Box 269  
Ft. Yukon, AK 99740  
T29:110
132. Nina Dahl  
City Council  
City of Kotzebue  
P.O. Box 46  
Kotzebue, AK 99752  
T29:110

133. John Evans, Sr.  
City Council  
City of Kotzebue  
P.O. Box 46  
Kotzebue, AK 99752  
T29:110
134. Art Fields, Sr.  
City Council  
City of Kotzebue  
P.O. Box 46  
Kotzebue, AK 99752  
T29:110
135. Charles E. Greene  
City Council  
City of Kotzebue  
P.O. Box 46  
Kotzebue, AK 99752  
T29:110
136. Chuck Greene  
City Council  
City of Kotzebue  
P.O. Box 46  
Kotzebue, AK 99752  
T29:110
137. Jeff Hadley  
City Council  
City of Kotzebue  
P.O. Box 46  
Kotzebue, AK 99752  
T29:110
138. \_\_\_\_\_  
City of Kotzebue  
P.O. Box 46  
Kotzebue, AK 99752  
~~Home~~ Phone: 442-3401  
T29:110
139. Willie Goodwin, Council Member  
City Council  
City of Kotzebue  
P.O. Box 46  
Kotzebue, AK 99752  
~~Home~~ Phone: 442-3401  
T29:110
140. Danny Thomas, P.O.  
Advisory School Board  
City of Kotzebue  
P.O. Box 46  
Kotzebue, AK 99752  
T29:110
141. Charles Huss, Member  
Advisory School Board  
City of Kotzebue  
P.O. Box 46  
Kotzebue, AK 99752  
T29:110
142. Beatrice Mills, Member  
Advisory School Board  
City of Kotzebue  
P.O. Box 46  
Kotzebue, AK 99752  
T29:110
143. Sharron Lie, Member  
Advisory School Board  
City of Kotzebue  
P.O. Box 46  
Kotzebue, AK 99752  
T29:110
144. Sue Adams, Member  
Advisory School Board  
City of Kotzebue  
P.O. Box 46  
Kotzebue, AK 99752  
T29:110

145. Elmer Goodwin, Member  
Advisory School Board  
City of Kotzebue  
P.O. Box 46  
Kotzebue, AK 99752  
T29:110
146. Suzie Erlich, Member  
Advisory School Board  
City of Kotzebue  
P.O. Box 46  
Kotzebue, AK 99752  
T29:110
147. Brad Reeve, Chair  
Planning/Zoning Commission  
City of Kotzebue  
P.O. Box 46  
Kotzebue, AK 99752  
T29:110
148. Pat Peacock, Member  
Planning/Zoning Commission  
City of Kotzebue  
P.O. Box 46  
Kotzebue, AK 99752  
T29:110
149. Chester Ballot, Member  
Planning/Zoning Commission  
City of Kotzebue  
P.O. Box 46  
Kotzebue, AK 99752  
T29:110
150. Henry Bush, Member  
Planning/Zoning Commission  
City of Kotzebue  
P.O. Box 46  
Kotzebue, AK 99752  
T29:110
151. Chuck Winkel, Member  
Planning/Zoning Commission  
City of Kotzebue  
P.O. Box 46  
Kotzebue, AK 99752  
T29:110
152. Bruce Kovarik, City Manager  
City of Kotzebue  
P.O. Box 46  
Kotzebue, AK 99752  
Home Phone: 442-3401  
T29:110
153. Thomas Smith, Fin. Director  
City of Kotzebue  
P.O. Box 46  
Kotzebue, AK 99752  
Home Phone: 442-3401  
T29:110
156. Robert Chambers, Member  
City Council  
City of Nenana  
P.O. Box 00070  
Nenana, AK 99760  
T29:110
157. James Coghill  
City Council  
City of Nenana  
P.O. Box 00070  
Nenana, AK 99760  
T29:110
158. Terrance Forness  
City Council  
City of Nenana  
P.O. Box 00070  
Nenana, AK 99760  
T29:110

159. Karen Harvey  
City Clerk  
City of Nenana  
P.O. Box 70  
Nenana, AK 99760  
T29:110 832-5441
160. Robert Knight  
City Council  
City of Nenana  
P.O. Box 00070  
Nenana, AK 99760  
T29:110
161. Dave Stone, Council Member  
City Council  
City of Nenana  
P.O. Box 00070  
Nenana, AK 99760  
T29:110
162. Sherwood Clouse, Member  
School Board  
City of Nenana  
P.O. Box 00070  
Nenana, AK 99760  
T29:110
163. George Hobson, Member  
School Board  
City of Nenana  
P.O. Box 00070  
Nenana, AK 99760  
T29:110
164. Marlene Coghill, Member  
School Board  
City of Nenana  
P.O. Box 00070  
Nenana, AK 99760  
T29:110
165. Ted Boatsman, Member  
School Board  
City of Nenana  
P.O. Box 00070  
Nenana, AK 99760  
T29:110
166. Gail Stevens, Member  
School Board  
City of Nenana  
P.O. Box 99760  
Nenana, AK 99760  
T29:110
167. Rick Hoffman, Member  
Planning/Zoning Commission  
City of Nenana  
P.O. Box 00070  
Nenana, AK 99760  
T29:110
168. Bob Coghill, Member  
Planning/Zoning Commission  
City of Nenana  
P.O. Box 00070  
Nenana, AK 99760  
T29:110
169. Joe Knabe, Member  
Planning/Zoning Commission  
City of Nenana  
P.O. Box 00070  
Nenana, AK 99760  
T29:110
170. William Spear, Member  
Planning/Zoning Commission  
City of Nenana  
P.O. Box 00070  
Nenana, AK 99760  
T29:110

*Mayor  
Joe Cooper*

172. Bob Bean  
Nome City Council  
P.O. Box 281  
Nome, AK 99762  
T29:110
173. Jack Carpenter  
Nome City Council  
P.O. Box 281  
Nome, AK 99762  
T29:110
174. Clinton Gray  
Nome City Council  
P.O. Box 281  
Nome, AK 99762  
T29:110
175. Gary L. Peed  
Nome City Council  
P.O. Box 281  
Nome, AK 99762  
T29:110
176. Caleb Pungowi  
Nome City Council  
P.O. Box 281  
Nome, AK 99762  
T29:110
177. Lincoln T. Trigg  
Nome City Council  
P.O. Box 281  
Nome, AK 99762  
T29:110
178. Matilda Davena, Member  
School Board  
City of Nome  
P.O. Box 281  
Nome, AK 99762  
T29:110
179. Nancy Mendenhall, Member  
School Board  
City of Nome  
P.O. Box 281  
Nome, AK 99762  
T29:110
180. Matthew Iya, Member  
School Board  
City of Nome  
P.O. Box 281  
Nome, AK 99762  
T29:110
181. Fran Elmore, Member  
School Board  
City of Nome  
P.O. Box 281  
Nome, AK 99762  
T29:110
182. Michael K. Saclamana, Member  
School Board  
City of Nome  
P.O. Box 281  
Nome, AK 99762  
T29:110
183. Thomas Johnson, Chair  
Planning/Zoning Commission  
City of Nome  
P.O. Box 281  
Nome, AK 99762  
T29:110

184. Jim West, Member  
Planning/Zoning Commission  
City of Nome  
P.O. Box 281  
Nome, AK 99762  
T29:110
185. Chris Karp, Member  
Planning/Zoning Commission  
City of Nome  
P.O. Box 281  
Nome, AK 99762  
T29:110
186. Carl Grauvogel, Member  
Planning/Zoning Commission  
City of Nome  
P.O. Box 281  
Nome, AK 99762  
T29:110
187. Jane Perkins, Member  
Planning/Zoning Commission  
City of Nome  
P.O. Box 281  
Nome, AK 99762  
T29:110
188. Marv Baker, Member  
Planning/Zoning Commission  
City of Nome  
P.O. Box 281  
Nome, AK 99762  
T29:110
189. Lyle Larson, City Manager  
City of Nome  
P.O. Box 281  
Nome, AK 99762  
Home Phone: 443-5242  
T29:110
190. Linda Conley, Clerk/Treasurer  
City of Nome  
P.O. Box 281  
Nome, AK 99762  
T29:110
191. Caroline Reardon, Fin. Director  
City of Nome  
P.O. Box 281  
Nome, AK 99762  
T29:110 443-5242
193. Melissa Bidwell  
City Council  
City of North Pole  
P.O. Box 55109  
North Pole, AK 99705  
T29:110
194. Russ Cary  
City Council  
City of North Pole  
P.O. Box 55109  
North Pole, AK 99705  
T29:110
195. Lute Cunningham  
City Council  
City of North Pole  
P.O. Box 55109  
North Pole, AK 99705  
T29:110
196. Shelley Dugan  
City Clerk  
City of North Pole  
P.O. Box 55109  
North Pole, AK 99705  
T29:110

197. Bill Lane  
City Council  
City of North Pole  
P.O. Box 55109  
North Pole, AK 99705  
T29:110
198. Mayor Carleta Lewis  
City of North Pole  
P.O. Box 55109  
North Pole, AK 99705  
T29:110 488-22-81
199. Ned Trowbridge  
City Council  
City of North Pole  
P.O. Box 55109  
North Pole, AK 99705  
T29:110
200. Jack Wright  
City Council  
City of North Pole  
P.O. Box 55109  
North Pole, AK 99705  
T29:110



# RECORDS CERTIFICATION

I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

  
Signature of Camera Operator

  
Date

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COMMITTEE REPORT  
SENATE

FURTHER: FINANCE

3/22/85

Date April 2, 1985

Mr. President

The Committee on C&RA considered SB 249

supplemental appropriation to the Department of Community and Regional Affairs; efd.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for \_\_\_\_\_
- new title
- same title and recommends \_\_\_\_\_
- and attached a "LETTER OF INTENT"  NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS

*William Stungulski*  
*H. Fischer*  
*J. Clayton*  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

*Edna De Vries*  
Chairman

*Do Pass it, money*  
Chairman recommendation  
*available*

STATE OF ALASKA  
THE LEGISLATURE

POUCH Y - STATE CAPITOL  
JUNEAU, ALASKA 99811  
907-465-3000

LEGISLATIVE AFFAIRS AGENCY  
LEGISLATIVE REFERENCE LIBRARY

May, 1988

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

S CRA

4-2-85

3:45 pm

Appropriation  
(supplemental)  
(Sr. Citizens'  
Tax Exemption  
program)

SENATE BILL NO. 249, by Senator Rodey. Makes a supplemental appropriation in the amount of \$325,000 to the Dept. of Community & Regional Affairs for operation of the Senior Citizens' Homeowner Property Tax Exemption Program for the current fiscal year. Effective immediately.


Introduced March 22 and referred to Community & Regional Affairs and Finance.

# Alaska MUNICIPAL League

TELEPHONES  
(907) 586-1325  
(907) 586-6526

105 MUNICIPAL WAY, SUITE 301  
JUNEAU, ALASKA 99801

TO: Senator Edna DeVries, Chair  
Members of Senate Community & Regional Affairs Committee

FROM: Scott A. Burgess  
Executive Director 

DATE: April 2, 1985

SUBJECT: SB 249 - Supplemental Appropriation  
for Senior Citizens Tax Exemption Program

The Alaska Municipal League supports the supplemental appropriation (\$325,000) to the Department of Community and Regional Affairs to fully fund the State-mandated property tax exemption program for senior citizens under AS 29.53.220 for FY85. Such funding recognizes the State's commitment to local municipalities and to our senior citizens.



Official Business

# Alaska State Legislature

*Senator DeVries*

Community & Regional Affairs Committee

Pouch V  
State Capitol  
Juneau, Alaska 99811

Committee Meeting - April 2, 1985

The Committee will consider two bills --

SB 249 - Approp Senior Citizen Homeowner  
Tax Exemptions

CSHB 253 - Municipal Tax Exemptions; Fire  
(C&RA) Facilities

SB 249-----

Makes a supplemental appropriation to the Department of C&RA of \$325,000. The appropriation is to cover reimbursement to local government for senior citizen' homeowner property tax exemptions

CSHB 253 (C&RA)-----

Permits local government to partially or wholly exempt land from a tax for fire protection; allowing the tax to be levied only on improvements (including personal property).

Public Safety -- supports the bill and attaches a zero fiscal note

Community & Regional Affairs -- is opposed to the bill and attaches a zero fiscal note

Fairbanks North Star Borough supports the bill by Resolution 85-024

The Alaska Conference of Mayors supports the bill by Resolution 84-8

*April 4. SB 69 scheduled*

Offered: 3/18/85  
Referred: Rules

*Tuesday - April 2*

Original sponsors: Koponen, Davis,  
Larson, et al

1 IN THE HOUSE  
2  
3 CS FOR HOUSE BILL NO. 253 (C&RA)  
4 IN THE LEGISLATURE OF THE STATE OF ALASKA  
5 FOURTEENTH LEGISLATURE - FIRST SESSION  
6 A BILL  
7 For an Act entitled: "An Act allowing municipalities to exempt land from  
8 property taxes and from special assessments for fire  
9 protection service and fire protection facilities;  
10 and providing for an effective date."  
11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:  
12 \* Section 1. AS 29.53.025 is amended by adding a new subsection to  
13 read:  
14 (h) A municipality may by ordinance partially or wholly exempt  
15 land from a tax for fire protection service and fire protection facil-  
16 ities and may levy the tax only on improvements, including personal  
17 property affixed to the improvements.  
18 \* Sec. 2. AS 29.63 is amended by adding a new section to read:  
19 Sec. 29.63.066. OPTIONAL EXEMPTION. If an assessment under this  
20 chapter is for a fire protection facility, a municipality may exempt  
21 land and levy the assessment only on improvements, including personal  
22 property affixed to the improvements.  
23 \* Sec. 3. This Act takes effect January 1, 1986.

*general  
to section*

*full exemption not  
partial*

AN ACT ALLOWING MUNICIPALITIES TO EXEMPT LAND FROM PROPERTY TAXES AND FROM SPECIAL ASSESSMENTS FOR FIRE PROTECTION SERVICE AND FIRE PROTECTION FACILITIES; AND PROVIDING FOR AN EFFECTIVE DATE.

PRIME SPONSOR: KOPONEN

CO-SPONSORS: DAVIS, LARSON, MILLER, MW, RINGSTAD, SUND, MARROU, HURLEY, FRANK TAYLOR

CURRENT STATUS: (S) C&RA

DATE		PAGE	ACTION
03/01/85	(H)	484	READ THE FIRST TIME
03/18/85	(H)	622	C&RA RPT W/CS 3DP 2NR
03/18/85	(H)	622	2 ZERO FISCAL NOTES
03/20/85	(H)	647	RLS TO CALENDAR 3/20/85
03/20/85	(H)	647	READ THE SECOND TIME
03/20/85	(H)	647	CSHB 253(C&RA) ADOPTED UNAN CONSENT
03/20/85	(H)	647	ADVANCED TO THIRD READING UNAN CONSENT
03/20/85	(H)	647	READ THE THIRD TIME
03/20/85	(H)	648	PASSED Y39 N- X1
03/20/85	(H)	648	EFFECTIVE DATE SAME AS PASSAGE

DATE		PAGE	ACTION
03/20/85	(H)	651	TRANSMITTED TO (S)
03/21/85	(S)	598	READ THE FIRST TIME C&RA RULES

Municipal  
Property  
Exemptions  
(fire  
protection)

HOUSE BILL NO. 253, by Reps. Koponen, Davis, Larson, M. W. Miller, Ringstad, Sund, Marrou and Hurley. Would allow a municipality, by ordinance, to exempt land from a tax for fire protection service and facilities and may levy the tax only on improvements, including personal property affixed to the improvements.

Amends AS 29.63 (Special Assessments and Service Areas) by adding a section providing for an optional exemption. The section states: "If an assessment under this chapter is for a fire protection facility, a municipality may exempt land and levy the assessment only on improvements, including personal property affixed to the improvements.

Provides Act takes effect January 1, 1986.

Introduced March 1 and referred to Community & Regional Affairs

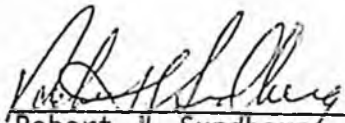
DEPARTMENT OF PUBLIC SAFETY  
POSITION PAPER  
HB 253

"An Act allowing municipalities to exempt land from property taxes and from special assessments for fire protection service and fire protection facilities; and providing for an effective date."

The Department of Public Safety supports the passage of this bill. It should facilitate the formation and financial support of fire service districts in areas where undeveloped land owners have resisted the creation of such districts, seeing little or no benefit for their raw land from the fire protection taxes paid.

Under the current system, certain areas unable to raise the required number of signatures on a ballot petition, have resorted to subscription fire protection. This has resulted in properties not subscribing being totally destroyed by fire. We understand that some owners were unaware of the requirement to subscribe.

Most of these areas are protected by volunteers who are willing to give their time to train and respond to emergencies. This bill may eliminate or reduce the additional duty of raising major funds for the acquisition and operation of fire and emergency services.

  
Robert J. Sundberg 3/12, 1985  
Commissioner

STATE OF ALASKA 1985 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date: \_\_\_\_\_

REQUEST

Bill/Resolution No.: HR 253  
 Title: "An Act allowing municipalities to exempt land from property taxes."  
 Sponsor: Rep. Koponen  
 Requestor: House C&RA  
 Date of Request: 3/11/85

FISCAL DETAIL

Agency Affected: Public Safety  
 Program Category Affected: \_\_\_\_\_  
 BRU, Program or Subprogram(s) Affected: Fire Prevention

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
<b>OPERATING</b>						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
500 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
<b>TOTAL OPERATING</b>	-0-	-0-	-0-	-0-	-0-	-0-

<b>CAPITAL</b>						
----------------	--	--	--	--	--	--

<b>REVENUE</b>						
----------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

Prepared By: Paul Conger Phone: 465-4338  
 Division: Administrative Services Date: 3/11/85

Approved by Commissioner: Michael Clemens Date: 3-11-85  
 Agency: Public Safety

Distribution (by Agency preparing fiscal note):  
 Legislative Finance  
 Legislative Sponsor  
 Requestor  
 Office of Management and Budget  
 Impacted Agency(ies)

# STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

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

949 E. 36TH AVENUE, SUITE 400  
ANCHORAGE, ALASKA 99508  
PHONE: (907) 563-1073

March 15, 1985

## POSITION PAPER

RE: HB 253

SPONSOR: Representative Koponen

### Program Effects of Bill

#### Comments

#### Section 1

As we read Section 1 of the bill, it provides for the optional exemption of land from the fire protection portion of municipal property taxes.

It is our understanding the intent of Section 1 is to assist certain neighborhoods which contain combinations of subdivisions and large acreage tracts in providing fire protection for their residents at a reasonable cost. We strongly support that intent and join the proponents of the bill in their determination to resolve that problem.

It is our position however, that fire protection for land is necessary to insure the preservation of agricultural crops, timber, grazing lands, livestock, and wildlife. To exempt such land from the obligation to pay for the fire protection service, and to require property improved with structures to assume the ensuing financial burden, would create a state of unfair taxation among municipal property owners.

In addition, we believe the adoption of that concept could trigger widespread litigation. We believe the concept which would allow the fire protection exemption would automatically extend to the police protection portion of the levy for the same reasons. We believe the same logic could also be found to apply in the areas of road maintenance, sewer and water maintenance and other municipal services.

HB 253  
March 15, 1985  
Page 2

Section 2

Section 2 of the bill optionally exempts the land of a fire protection facility from the levy of special assessments such as sewer and water improvement projects. The Department suggests Section 2 of the bill be amended to include the optional exemption of all property of such facilities rather than limiting it to the land only.

*Emil Notti*

---

Emil Notti, Commissioner

STATE OF ALASKA 1985 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date: \_\_\_\_\_

REQUEST

Bill/Resolution No.: HB 253  
 Title: Property Exempt ---  
           fire protection  
 Sponsor: Koponen, Davis, Larson, etc.  
 Requestor: \_\_\_\_\_  
 Date of Request: March 7, 1985

FISCAL DETAIL

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

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
<b>OPERATING</b>						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
<b>TOTAL OPERATING</b>		-0-	-0-	-0-		
<b>CAPITAL</b>						
<b>REVENUE</b>						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>		-0-	-0-	-0-		

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

Prepared By: Michael W. Worley Phone: 465-4750  
 Division: Municipal & Regional Assistance Date: March 14, 1985  
 Approved by Commissioner: *Kevin Rost* Date: 3/15/85  
 Agency: Community & Regional Affairs

Distribution (by Agency preparing fiscal note):  
 Legislative Finance  
 Legislative Sponsor  
 Requestor  
 Office of Management and Budget  
 Impacted Agency(ies)

7/1/84

RESOLUTION NO. 85-024

A RESOLUTION IN SUPPORT OF HOUSE BILL NO. 253,  
"AN ACT ALLOWING MUNICIPALITIES TO EXEMPT LAND  
FROM PROPERTY TAXES AND FROM SPECIAL ASSESSMENTS  
FOR FIRE PROTECTION SERVICE . . ."

WHEREAS, the Fairbanks North Star Borough has a large portion  
of its population unprotected by Fire Service Districts; and

WHEREAS, the Fairbanks North Star Borough Fire Service Areas  
have had difficulty in getting total acceptance of proposals to create such  
Fire Service Districts, largely because larger land owners have not been  
able to be a part of the process; and

WHEREAS, the Fairbanks North Star Borough has supported  
differential land and improvement taxation for the past five years, and has  
investigated many potential taxation methods in order to provide safety and  
protection to areas of the Borough through equitable taxation; and

WHEREAS, the Assembly of the Fairbanks North Star Borough  
has reiterated its position during public meetings and public hearings in  
support of taxation only on improvements, including personal property  
affixed to the improvements upon the lands, and exemption of the — local  
assessment upon the land value. option

NOW, THEREFORE, BE IT RESOLVED by the Assembly of the  
Fairbanks North Star Borough that we urge adoption of House Bill No. 253  
to allow municipalities to exempt land from property taxes and from special  
assessments for fire protection services and fire protection facilities.

PASSED AND APPROVED THIS 14TH DAY OF MARCH, 1985.

*Sandra Scott Stinger*  
Presiding Officer

ATTEST:

*Mona Lisa Spuler*  
Clerk of the Assembly

IMPACT OF EXEMPTING LAND VALUES FROM FSA TAXATION

1. Base Data - 1984 Assessment Rolls

FSA	LAND VALUE	IMPROVEMENT VALUE	ADJUSTED IMPROVEMENT VALUE	TOTAL	ADJUSTED TOTAL
Ester	10,433,746	13,498,254	11,931,966	23,932,000	22,865,712
Moose Creek	3,184,263	8,493,574	7,769,483	11,677,837	10,953,706
North Star	96,788,609	174,184,559	158,217,867	270,973,588	255,006,476
Steese	38,588,738	77,258,132	70,193,744	115,846,370	108,782,482
University	62,417,016	173,406,962	158,021,234	235,823,978	220,438,250

2. Tax Data - 1984

FSA	MILL LEVY	TAX GENERATION LAND	TAX GENERATION ADJUSTED IMPROV.	TOTAL
Ester	1	10,434	11,932	22,366
Moose Creek	1	3,184	7,789	10,953
North Star	1	96,789	158,218	255,007
Steese	2	77,177	140,387	217,564
University	2	124,834	316,042	440,876

3. Required mill rate to generate equal revenue with all land exempt

FSA	MILL LEVY	YIELD
Ester	1.9	22,671
Moose Creek	1.4	10,877
North Star	1.6	253,149
Steese	3.1	217,600
University	2.8	442,459

RESOLUTION OF THE ALASKA CONFERENCE OF MAYORS  
84-8

A RESOLUTION REQUESTING THE LEGISLATURE AND  
GOVERNOR TO CHANGE AS 29.53.025 CONCERNING  
OPTIONAL EXEMPTIONS

WHEREAS, the creation of fire service areas is essential to the well being of the citizens of the State of Alaska; and

WHEREAS, fire service areas are created primarily to protect improvements upon land; and

WHEREAS, resource development and processing such as agriculture in interior Alaska requires large parcels of land for cultivation; and

WHEREAS, resource development is important to diversify and stabilize the Alaska economy; and

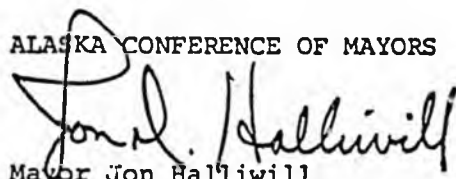
WHEREAS, the industries should not be penalized by not having proper fire protection due to large land holdings; and

WHEREAS, equity would dictate that the costs of fire protection be paid based on the value of the improvements being protected:

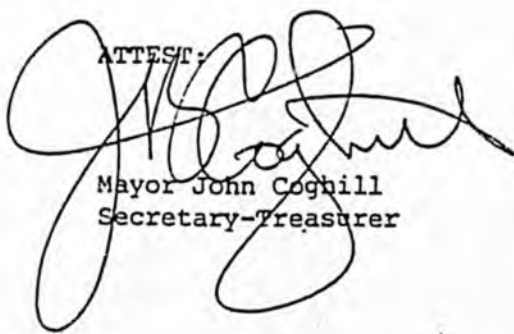
NOW, THEREFORE, BE IT RESOLVED by the Mayors' Conference that the Alaska State Legislature and the Governor be requested to amend AS 29.53.025 allowing municipalities to optionally exempt land values from fire service assessments.

ADOPTED this 16th day of November, 1984.

ALASKA CONFERENCE OF MAYORS

  
Mayor Jon Halliwill  
President

ATTEST:

  
Mayor John Coghill  
Secretary-Treasurer

revenue lost to the municipality by reason of the exemption authorized in those provisions may be reimbursed to the municipality by the state."

The 1977 amendment, in subsection (e), deleted "up to and including an assessed value limit determined no later than January 15 of each year by the commissioner of the Department of Community and Regional Affairs" from the end of the first sentence and deleted the former second

sentence, which read "The assessed value limit is the upper limit of the third quartile class in a frequency distribution of previous year assessed values in the state."

The first 1980 amendment, added paragraph (7) of subsection (a) and subsection (j).

The second 1980 amendment, added paragraph (8) of subsection (a).

#### NOTES TO DECISIONS

##### Strict construction.

The courts must narrowly construe statutes granting tax exemptions. *Greater Anchorage Area Borough v. Sisters of Charity of House of Providence*, Sup. Ct. Op. No. 1299 (File No. 2445), 553 P.2d 467 (1976).

**Burden of showing eligibility for exemption.** — A taxpayer claiming a tax exemption has the burden of showing that the property is eligible for the exemption. *Greater Anchorage Area Borough v. Sisters of Charity of House of Providence*, Sup. Ct. Op. No. 1299 (File No. 2445), 553 P.2d 467 (1976).

**Exclusive use for nonprofit religious, etc., purposes must be shown.** In order to qualify for an exemption, the taxpayer must show not benefits, but exclusive use for nonprofit religious, charitable, cemetery, hospital or educational purposes. *Greater Anchorage Area Borough v. Sisters of Charity of House of Providence*, Sup. Ct. Op. No. 1299 (File No. 2445), 553 P.2d 467 (1976).

When the property in question is used even in part by nonexempt parties for their private business purposes, there can be no exemption. *Greater Anchorage Area Borough v. Sisters of Charity of House of Pro-*

*vidence*, Sup. Ct. Op. No. 1299 (File No. 2445), 553 P.2d 467 (1976).

**Actual use rather than owner's use should be analyzed in determining eligibility for an exemption.** *Greater Anchorage Area Borough v. Sisters of Charity of House of Providence*, Sup. Ct. Op. No. 1299 (File No. 2445), 553 P.2d 467 (1976).

**Office space rented to doctors engaged in private practice.** — Office space in a building partially used exclusively for nonprofit hospital purposes, rented to doctors engaged in the private practice of medicine by a nonprofit charitable and religious corporation, was not exempt from taxation. *Greater Anchorage Area Borough v. Sisters of Charity of House of Providence*, Sup. Ct. Op. No. 1299 (File No. 2445), 553 P.2d 467 (1976).

While the use of office space by doctor-tenants in conducting their private practices does provide incidental benefits to the adjacent hospital, the office space is not used exclusively for hospital purposes. *Greater Anchorage Area Borough v. Sisters of Charity of House of Providence*, Sup. Ct. Op. No. 1299 (File No. 2445), 553 P.2d 467 (1976).

**Sec. 29.53.025. Optional exemptions and exclusions.** (a) Municipalities may exclude or exempt or partially exempt residential property from taxation by ordinance ratified by the voters at a regular or special election. An exclusion or exemption authorized by this section may not exceed \$10,000 for any one residence.

(b) Municipalities may by ordinance

(1) classify boats and vessels for purposes of taxation and may establish the assessed valuation of boats and vessels on the basis of their registered or certificated net tonnage; a tax based upon a tonnage valuation shall not exceed \$5 a year for a boat or vessel of less than five net tons and shall not exceed \$15 a year for a boat or vessel of more than five net tons;

(2) classify and exempt from taxation

(A) the household furniture over \$500 in value and the effects of the head of a family or a householder; and

(B) the property of an organization not organized for business or profit-making purposes and used exclusively for community purposes, provided that income derived from rental of such property does not exceed the actual cost to the owner of the use by the renter; and

(C) historic sites, buildings and monuments;

(D) land of a nonprofit organization used for agricultural purposes if rights to subdivide the land are conveyed to the state and the conveyance includes a covenant restricting use of the land to agricultural purposes only; rights conveyed to the state under this subparagraph may be conveyed by the state only in accordance with AS 38.05.069(c).

(c) The provisions of (a) of this section notwithstanding,

(1) a home rule or first or second class borough may, by ordinance, adjust its property tax structure in whole or in part to the property tax structure of a city within it, including but not limited to, excluding personal property from taxation, establishing exemptions, and extending the redemption period;

(2) a home rule or first class city shall have the same power to grant exemptions or exclude property from borough taxes that it has as to city taxes, provided that the exemptions or exclusions have been adopted as to city taxes and further provided that the city appropriate to the borough sufficient money to equal revenues lost by the borough because of the exemptions or exclusions, the amount to be determined annually by the assembly without weighted voting;

(3) a home rule or general law city within an organized borough may, by ordinance, adjust its property tax structure in whole or in part to the property tax structure of the borough, including but not limited to exempting or partially exempting property from taxation.

(d) Exemptions or exclusions from property tax which have been granted by home rule municipalities in addition to exemptions authorized or required by law, and which are in effect on September 10, 1972 and not later withdrawn, are not affected by this Act.

(e) Municipalities may by ordinance classify and exempt or partially exempt from taxation privately owned land, wet land and water areas for which a scenic, conservation, or public recreation use easement is granted to a governmental body. To be eligible for a tax exemption, or partial exemption, the easement must be in perpetuity. However, the easement is automatically terminated before an eminent domain taking of fee simple title or less than fee simple title to the property so that the property owner is compensated at a rate which does not reflect the easement grant.

(f) A municipality may by ordinance exempt from taxation all or any part of the increase in assessed value of improvements to real property if an increase in assessed value is directly attributable to alteration of

the natural features of the land or new maintenance, repair or renovation of an existing structure and if the alteration, maintenance, repair or renovation, when completed, enhances the exterior appearance or aesthetic quality of the land or structure. No exemption may be allowed under this subsection for the construction of an improvement to a structure if the principal purpose of the improvement is to increase the amount of space for occupancy or nonresidential use within the structure or for the alteration of land as a consequence of construction activity. An exemption provided in this subsection may continue for up to four years from the date the improvement is completed or from the date of approval for the exemption by the local assessor, whichever is later.

(g) A municipality may by ordinance exempt from taxation all or any part of the increase in assessed value of improvements to a single family dwelling if the principal purpose of the improvement is to increase the amount of space for occupancy. An exemption provided in this subsection may continue for up to two years from the date the improvement is completed or from the date of approval of an application for the exemption by the local assessor, whichever is later. (§ 2 ch 118 SLA 1972; am § 2 ch 1 FSSLA 1973; am § 1 ch 33 SLA 1975; am § 1 ch 111 SLA 1976; am § 1 ch 262 SLA 1976; am § 1 ch 95 SLA 1977; am § 31 ch 94 SLA 1980)

**Effect of amendments.** — The 1973 amendment added the second sentence of subsection (a).

The 1975 amendment added subsection (e).

The first 1976 amendment added paragraph (3) of subsection (c).

The second 1976 amendment added

paragraph (2)(D) of subsection (b).

The 1977 amendment added subsections (f) and (g).

The 1980 amendment deleted "adopted without weighted voting" near the beginning of paragraph (1) of subsection (c).

**Sec. 29.53.035. Farm or agricultural lands.** (a) Farm use lands included in a farm unit and not dedicated or being used for nonfarm purposes shall be assessed on the basis of full and true value for farm use, and shall not be assessed as if subdivided or used for some other nonfarm purpose. The assessor shall maintain records valuing the farm use land for both full and true value and farm use value. Should the farm use land be sold, leased, or otherwise disposed of for uses incompatible with farm use or be converted to a use incompatible with farm use by the owner, the owner is liable to pay an amount equal to the additional tax at the current mill levy together with eight per cent interest for the preceding seven years, as though the land had not been assessed for farm use purposes. Payment by the owner shall be made to the state to the extent of its reimbursement for revenue loss under (e) of this section for the preceding seven years. The balance of the payment shall be made to the city or borough.

Original sponsors: Sturgulewski and Rodey

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IN THE SENATE

BY THE COMMUNITY AND REGIONAL  
AFFAIRS COMMITTEE

CS FOR SENATE BILL NO. 204 (C&RA)  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
FOURTEENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to contracts for architectural,  
engineering, and land surveying services; and provid-  
ing for an effective date "

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

\* Section 1. AS 36.90 is amended by adding a new section to read:

Sec. 36.90.100. COMPLIANCE OF CONTRACTS WITH PROFESSIONAL REGIS-  
TRATION REQUIREMENTS. The state or a political subdivision of the  
state may not award a contract for architectural, engineering, or land  
surveying services to

(1) an individual who is not registered under AS 08.48 to  
perform the architectural, engineering, or land surveying services  
required by the contract;

(2) a partnership that is not qualified under AS 08.48.251  
to provide the architectural, engineering, or land surveying services  
required by the contract; or

(3) a corporation that is not authorized under AS 08.48.241  
to offer the architectural, engineering, or land surveying services  
required by the contract.

\* Sec. 2. AS 36.98 is amended by adding a new section to read:

Sec. 36.98.043. ARCHITECTURAL, ENGINEERING, AND LAND SURVEYING  
CONTRACTS. (a) Notwithstanding the provisions of AS 36.98.010(3) and  
36.98.040, a state agency shall negotiate a contract with the most  
qualified and suitable firm or person of demonstrated competence for  
architectural, engineering, or land surveying services. The state

1 agency shall award a contract for those services at fair and reason-  
2 able compensation as determined by the state agency, after considera-  
3 tion of the estimated value of the services to be rendered, and the  
4 scope, complexity, and professional nature of the services.

5 (b) If negotiations with the most qualified and suitable firm or  
6 person under (a) of this section are not successful, the state agency  
7 shall negotiate a contract with other qualified persons or firms of  
8 demonstrated competence, in order of public ranking. The state agency  
9 may reject all or part of a proposal.

10 (c) This section does not apply to contracts awarded in a situa-  
11 tion of public necessity if the person responsible for execution of  
12 the contract on behalf of the state agency certifies in writing that a  
13 situation of public necessity exists.

14 (d) Notwithstanding the other provisions of this section, a  
15 state agency may include price as a factor in selecting architectural,  
16 engineering, and land surveying services when, in the judgment of the  
17 state agency, the scope, nature, and amount of services required are  
18 sufficiently defined to reasonably enable firms and individuals making  
19 proposals to compete with a substantially equal understanding and  
20 interpretation of the services required. In order to include price as  
21 a factor in selection, the state agency shall involve in the evalua-  
22 tion of the proposals at least one person who is registered in the  
23 state to perform the architectural, engineering, or land surveying  
24 services that are the primary services to be provided by the contract.

25 (e) The consideration of price under (d) of this section as a  
26 factor in the selection of architectural, engineering, and land sur-  
27 veying services may not exceed 20 percent of the scoring formula used  
28 in evaluating proposals. The state agency shall base the evaluation  
29 of price on a previously established schedule that correlates

*Object*

1 ~~objectively~~ with the points scored.

2 (f) This section does not apply to a contract that incorporates  
3 both design and construction services.

4 \* Sec. 3. This Act applies to requests for bids or proposals for archi-  
5 tectural, engineering, and land surveying services issued after the effec-  
6 tive date of this Act.

7 \* Sec. 4. This Act takes effect immediately in accordance with AS 01.-  
8 10.070(c).  
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# Alaska State Legislature

SENATOR  
**ARLISS STURGULEWSKI**  
Chairman, Senate Resources Committee  
Vice-Chairman, Senate Health, Education and Social Services Committee  
Member, Senate Community and Regional Affairs Committee



2957 SHELDON JACKSON STREET  
ANCHORAGE, ALASKA 99508

While in Juneau  
POUCH V  
JUNEAU, ALASKA 99811  
(907) 465-3818

## Senate

MEMORANDUM

18 April 1985

TO: Senator Arliss Sturgulewski  
FROM: Melissa Aber Fouse  
RE: Committee Substitute for SB 204

This proposed committee substitute for Senate Bill 204 incorporates solutions to most of the questions raised during the Community & Regional Affairs committee meeting held 16 April.

We have addressed the issue raised by the AIA and the Department of Transportation regarding under what circumstances price may be considered as a factor in evaluation proposals by adopting the language as proposed by DOT (which is incorporated in CSHB 278 (L&C), with the addition of:

limiting the consideration of price to no more than 20% of the evaluation of a proposal,  
requiring that the evaluation formula for proposals be set out prior to the evaluation itself; and  
requiring that the schedule for evaluation objectively correlates price with points scored.

The concerns raised by the Department of Commerce, Division of Occupational Licensing are addressed by a new section which amends the miscellaneous provisions chapter of Title 36 stating that neither state agencies nor municipalities may contract for these services with an entity which is not registered under Title 08.

There had been a question regarding the applicability of this legislation to "design-build" contracts. We are told that the identifying characteristic of "design-build" contracts is that they include both design and construction services in a single contract. We have stated that this section does not apply to such contracts.

Local hire provisions were discussed during the committee meeting. It has been interpreted by the Attorney General that the current 95% employment requirement does not apply to professional services contracts, but only to those workers belonging to crafts. In order to include all professional services, it would be necessary to amend the professional services contracting section of Title 36. Because this is a complex issue, it may be better addressed in separate legislation.



Official Business

# Alaska State Legislature Senate

Senator Edna DeVries, Chairman  
Members  
Senator Ferguson, Vice Chairman  
Senator English  
Senator Sturgulewski  
Senator V. Fischer

Pouch V  
Juneau, Alaska 99811

## Committee on Community and Regional Affairs

4/17/85

Edna,

Vic Fischer will not make the meeting today.....

HB 253 tax exemptions for fire service districts is first on the agenda....

Rep Koponen is suppose to be present to testify

Mike Worley, Assessor is to be there also

HB 72 == Title 29 revisions

Talked to Ziegler's office ...

He has agreed not to offer the Wrangell amendments at this time

Jeff Smith, Dept C&RA says his department will speak on behalf of Senator Ferguson's amendment that will be offered by Sen Sturgulewski

Goll may be present

Melissa says there will be a CS for SB 204--

(contracting for Arch, Engineering, Survey services -- however, it is not ready yet....

*Tam Cook will be present to give very overview of Hec/Senate differences before you begin debate,*

3/11/85 1:30p

Cook

Atch 2A

A M E N D M E N T #1A

Offered in the SENATE

TO: SB 142

By the Community and Regional

Affairs Committee

Page 1, after line 8, insert a new bill section to read:

"\* Section 1. PURPOSE. The legislature finds that the municipal code contains many provisions that have created problems for municipalities that must function under AS 29 and that the title is poorly organized and difficult for people to use. Therefore, it is the purpose of the legislature to revise and reorganize the municipal code to permit local government to function more effectively. Except as expressly provided, the legislature does not intend by this Act to alter or affect in any way the relationship or balance of authority between the state and home rule or general law municipalities with respect to the timing or manner of resource development under AS 31, AS 38, or other provisions of law. Except as expressly provided, the legislature does not intend by this Act to increase or reduce the authority of state agencies to carry out their functions under other titles."

Renumber following bill sections accordingly.

HCRA #6

Atch 2b

A M E N D M E N T

Offered in the HOUSE

TO: HB 72

Page 53, line 26, after "PROHIBITIONS." insert:

"(a) A person may not be in any way favored or discriminated against with respect to municipal employment because of the person's race, color, sex, creed, national origin or, unless otherwise contrary to law, because of the person's political opinions or affiliations."

Reletter following subsections accordingly.

Page 53, line 29:

Delete "section" and insert "subsection"

Atch 2c

STATE OF ALASKA  
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

COPY

POUCH Y STATE CAPITOL  
JUNEAU ALASKA 99811  
907 465 3800

MEMORANDUM

March 14, 1985

SUBJECT: Municipal Code Revision  
(CSSB 142 (C&RA))

TO: Senator Edna DeVries  
Chair, Community & Regional Affairs Committee

FROM: Tamara Brandt Cook  
Deputy Director  
Division of Legal Services

Here is the committee substitute that you requested. It incorporates all changes adopted by the House Community and Regional Affairs Committee in the house version of the municipal code revision with the exception of the change to Section 29.20.630. This committee substitute includes the purpose clause adopted by your committee and changes the population requirement for incorporation of a first class or home rule city from 600 to 400 residents. In addition, I have made two technical changes. Section 29.45.030(1) contains a citation to AS 19.70.081 which I have corrected to read AS 18.70.081. This cross-reference appears in existing law, and there is, in fact, no AS 19.70.081. Some changes were made in Section 29.45.080 in earlier versions of the municipal code revision bill to clarify that language. Mary Nordale, Commissioner of the Department of Revenue, has indicated to me that these changes create practical problems for the department in implementing its responsibilities under other provisions of law. Since no substantive change has ever been intended to be made to this section and since the attempt at clarifying the language has apparently failed, I have, as a drafting matter and with the permission of Yvonne Alford, conformed this section to the language that appears in existing law.

Please contact me if I can be of further assistance.

TBC:csh  
c3/049

Other than date changes, this House amendment adopts the technical amendments recommended by counsel and included in CSSB 142.

HB 72

The Finance Committee has considered HOUSE BILL NO 72 (municipal government; effective date), recommends it be replaced with COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 72 (C&RA) (page 538) with the following amendment:

Amendment No. 1 by the Finance Committee:

- Page 10, line 27:  
Delete "June 30, 1986" and insert "December 31, 1985"
- 11, line 2:  
Delete "July 1, 1986" and insert "January 1, 1986"
- Page 11, line 3:  
Delete "June 30, 1986" and insert "December 31, 1985"
- Page 11, line 20:  
Delete "June 30, 1986" and insert "December 31, 1985"
- Page 12, line 21:  
Delete "June 30, 1986" and insert "December 31, 1985"
- Page 12, line 24:  
Delete "June 30, 1986" and insert "December 31, 1985"
- Page 105, line 28:  
Delete "AS 19.70.081" and insert "AS 18.70.081"
- Page 114, line 8:  
Before "property" insert "taxable"
- Page 114, line 12:  
Before "property" insert "taxable"  
Delete "under this chapter and"
- Page 114, line 18:  
Before "property" insert "taxable"  
Delete "under this chapter and"

date change

Alaska State Legislature

House of Representatives

Committee on  
Community & Regional Affairs

LETTER OF INTENT  
to  
CSHB 72 (C&RA)

It is not the intent of the House Community and Regional Affairs Committee in adopting AS 29.53.045 as the renumbered section 29.45.080 in CSHB 72 (C&RA) to alter the substance or effect of that provision.

Peter Goll  
Chairman

*Peter Goll*  
\_\_\_\_\_  
*R. C. E. J. J. J.*  
\_\_\_\_\_  
*Mac [unclear]*  
\_\_\_\_\_  
*[unclear]*  
\_\_\_\_\_  
\_\_\_\_\_

Pouch V  
State Capitol  
Juneau, Alaska 99811  
(907) 465-4833



Official Business

Alaska State Legislature

Senate

Committee on  
Community and Regional Affairs

March 14, 1985

Letter of Intent to Accompany Committee Substitute for  
Senate Bill 142

It is not the intent of the Legislature through the passage of CSSB 142 to change the taxing provisions for electric and telephone cooperatives as set forth by AS 10.25-540-560; nor is it the intent of the Legislature to change present statute provisions covering public utility access to municipal rights of way as set forth by AS 42.05.251.

SENATE COMMITTEE ON COMMUNITY AND REGIONAL AFFAIRS

*Edna DeVries*  
-----  
Senator Edna DeVries, Chairman

Senator Edna DeVries, Chair  
Members  
Senator Ferguson, Vice Chair  
Senator Coghill  
Senator Sturgulewski  
Senator V. Fischer

Pouch V  
Juneau, Alaska 99811

Atch #2 f

AN ACT RELATING TO MUNICIPAL GOVERNMENT

CSHB 72 (C&RA) Page 2 of 2

STATE OF ALASKA 1985 LEGISLATIVE SESSION  
FISCAL NOTE

Page 1 of 2

Revision Date: 3/15/85

REQUEST

Bill/Resolution No.: CSHB 72 (C&RA)  
Title: An Act Relating to  
Municipal Government  
Sponsor: Rules/Governor  
Requestor: Senate C&RA Committee  
Date of Request: \_\_\_\_\_

FISCAL DETAIL

Agency Affected: Community & Regional Affairs  
Program Category Affected: \_\_\_\_\_  
Community Development  
Sponsor: BRU, Program or Subprogram(s) Affected:  
Requestor: Community Assistance Grants  
Date of Request: \_\_\_\_\_  
Component: Organizational Grants

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
<b>OPERATING</b>						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS		-0-	400.0	350.0		
800 MISCELLANEOUS						
<b>TOTAL OPERATING</b>		-0-	400.0	350.0		

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
FEDERAL FUNDS		-0-	400.0	350.0		
OTHER						
<b>TOTAL</b>		-0-	400.0	350.0		

POSITIONS:

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
FULL-TIME		-0-	-0-	-0-		
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

SEE ATTACHED ANALYSIS

Prepared By: Doug Griffin, Deputy Director Phone: 465-4750  
Division: Municipal & Regional Assistance Date: 3/15/85  
Approved by Commissioner: [Signature] Date: 3/15/85  
Agency: Community & Regional Affairs

ANALYSIS: This bill commits the State to paying increased levels of transitional assistance to newly incorporated cities and boroughs. However, given the increasingly complex requirements for incorporation, the fact that the bill does not become effective until January 1, 1986 (half way through FY 86), and the ability to request supplemental funding to pay transitional grants after the fact on a reimbursement basis, assumptions have been changed to produce a zero fiscal effect for FY 86. This will prevent money from being tied up to address incorporations which may not occur.

The Legislature does need to acknowledge that the bill does carry possible increased financial obligations, but it is impossible to predict when these added costs will be borne by the State. For this reason, the fiscal note reflects no additional cost for FY 86, but assumptions for future years are included as follows:

Assumptions: FY 86 - no incorporations  
FY 87 - two cities and one borough incorporate  
FY 88 - two cities incorporate

Program Summary: The only portion of this bill which will create fiscal impact is Sec. 29.05.180-190 which provides additional transitional assistance through increased organizational grants. The Department is also required to provide additional assistance to newly formed cities and boroughs in setting up a sales tax collection system and tax rolls for property taxation. It is difficult to gauge whether this type of assistance will in fact be requested. If it is requested, additional work will be required of the State Assessor and technical assistance sections of the Division of Municipal and Regional Assistance. Given this uncertainty, possible costs for this type of technical assistance are not reflected in this fiscal note.

Computations:

Grants in FY 86..... -0-  
Grants in FY 87..... 400.0  
(2 cities @ \$50,000 per -- first year grant)  
(1 borough @ \$300,000 per -- first year grant)  
Grants in FY 88..... 350.0  
(2 cities @ \$50,000 per -- first year grant)  
(2 cities @ \$25,000 per -- second year grant)  
(1 borough @ 200,000 per -- second year grant)

Economic Impact: The economic impact on State and local governments will be limited.

Impact on Local Governments: This bill is strongly supported by the Alaska Municipal League and most municipalities of the State. Impacts will generally be positive, particularly for newly incorporated municipalities.



Official Business

# Alaska State Legislature

## Senate

### Committee on Community and Regional Affairs

Senator Edna DeVries, Chairman

Members:  
Senator Ferguson, Vice Chairman  
Senator Coghill  
Senator Sturgulewski  
Senator V. Fischer

Pouch V  
Juneau, Alaska 99811

Committee Meeting 4/17/85 ----

CSHB 253 (C&RA) -- An Act allowing municipalities to exempt certain land from property taxes and from special assessments for fire protection service and fire protection facilities

Heard April 2 -- no action taken -- heard testimony from Borough Mayor Bill Allen, Rep. Koponen, State Assessor, Mike Worley

See Atch #1

CSHB 72 (C&RA) am -- Title 29 revisions

Following is a summary of differences between this bill and the bill that passed out of committee March 12 (CSSB 142)

- 1) Does not include Committee amendment #1a, "Purpose Clause"(see atch #2a)
- 2) Includes HC&RA amend #6 (Prohibition against Discrimination) see atch #2b
- 3) Requires 600 population for incorporation as first class or home rule (changed to 400 in SB142)
- 4) Includes one amendment passed on House floor that deals with technical changes only (see atch #2c)
- 5) Includes a letter of intent that was rendered irrelevant by the passage of the House amendment. (see atch #2d)
- 6) Does not include committee Letter of Intent. (see atch #2e)
- 7) A revised fiscal note has been attached to both the House and the Senate bill (see atch #2f)

Offered: 3/18/85  
Referred: Rules

Atch #1

Original sponsors: Koponen, Davis,  
Larson, et al

1 IN THE HOUSE

BY THE COMMUNITY AND REGIONAL  
AFFAIRS COMMITTEE

2

CS FOR HOUSE BILL NO. 253 (C&RA)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act allowing municipalities to exempt land from

7

property taxes and from special assessments for fire

8

protection service and fire protection facilities;

9

and providing for an effective date."

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

11 \* Section 1. AS 29.53.025 is amended by adding a new subsection to

12 read:

13

(h) A municipality may by ordinance partially or wholly exempt

14

land from a tax for fire protection service and fire protection facil-

15

ities and may levy the tax only on improvements, including personal

16

property affixed to the improvements.

17

\* Sec. 2. AS 29.63 is amended by adding a new section to read:

18

Sec. 29.63.066. OPTIONAL EXEMPTION. If an assessment under this

19

chapter is for a fire protection facility, a municipality may exempt

20

land and levy the assessment only on improvements, including personal

21

property affixed to the improvements.

22

\* Sec. 3. This Act takes effect January 1, 1986.

CSHB 253 (C&RA)-----

Permits local government to partially or wholly exempt land  
from a tax for fire protection; allowing the tax to be levied  
only on improvements (including personal property).

Public Safety -- supports the bill and attaches a zero fiscal  
note

Community & Regional Affairs -- is opposed to the bill and  
attaches a zero fiscal note

Fairbanks North Star Borough supports the bill by Resolution 85-024

The Alaska Conference of Mayors supports the bill by Resolution 84-8



# RECORDS CERTIFICATION

I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

*James O. Smith*  
Signature of Camera Operator

*10/31/89*  
Date

S B

250

Original sponsor: P.Fischer by Request

1 IN THE SENATE

BY THE COMMUNITY AND  
REGIONAL AFFAIRS COMMITTEE

2 CS FOR SENATE BILL NO. 250 (C&RA)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to a tax exemption for real property  
7 that is improved in a way that enhances its  
8 appearance; and providing for an effective date."

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

10 \* Section 1. AS 29.53.025(b) is amended to read:

11 (b) A municipality [MUNICIPALITIES] may by ordinance

12 (1) classify boats and vessels for purposes of taxation and  
13 may establish the assessed valuation of boats and vessels on the basis  
14 of their registered or certificated net tonnage; a tax based upon a  
15 tonnage valuation shall not exceed \$5 a year for a boat or vessel of  
16 less than five net tons and shall not exceed \$15 a year for a boat or  
17 vessel of more than five net tons;

18 (2) classify and exempt from taxation

19 (A) the household furniture over \$500 in value and the  
20 effects of the head of a family or a householder;

21 (B) the property of an organization not organized for  
22 business or profit-making purposes and used exclusively for  
23 community purposes, provided that income derived from rental of  
24 such property does not exceed the actual cost to the owner of the  
25 use by the renter;

26 (C) historic sites, buildings and monuments; and

27 (D) land of a nonprofit organization used for agricul-  
28 tural purposes if rights to subdivide the land are conveyed to  
29 the state and the conveyance includes a covenant restricting use

1 of the land to agricultural purposes only; rights conveyed to the  
2 state under this subparagraph may be conveyed by the state only  
3 in accordance with AS 38.05.069(c);

4 (3) exempt business inventories from taxation;

5 (4) classify as to type and exempt or partially exempt any  
6 or all types of motor vehicles from taxation;

7 (5) exempt up to \$20,000 of the assessed value of real  
8 property from taxation if the property has been cleaned up, repaired,  
9 or altered during the tax year in a way that enhances its exterior  
10 appearance.

11 \* Sec. 2. This Act takes effect January 1, 1986.  
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# STATE OF ALASKA

## DEPT. OF COMMUNITY & REGIONAL AFFAIRS

### MUNICIPAL & REGIONAL ASSISTANCE DIVISION

April 9, 1985

#### POSITION PAPER

RE: SB 250

SPONSOR: Senator Paul Fischer

#### Program Effects of Bill

We believe it would be cost prohibitive and unworkable to attempt the partial exemption as described in the bill. If municipalities were to adopt that concept it would certainly result in staff increases and undesirable shifts in the property tax burden.

#### Comments

Problems with the bill:

1. Discriminates against low income property owners.

Commercial businesses, industrial properties, condominium associations, and wealthy single family property owners would be in a financial position to take advantage of the exemption. Low income persons who could not afford repairs and expensive upkeep would take on the additional tax burden for each exemption granted.

2. Not workable logistically.

The Municipal assessor declares values and exemptions as of January 1. If, for example, it takes six months to view every property in a municipality, it would not be possible to determine when the cleanup or improvement occurred or whether, in fact, there actually was an improvement.

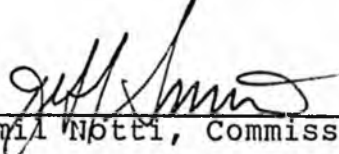
BILL SHEFFIELD, GOVERNOR

- POUCH BH  
JUNEAU, ALASKA 99811  
PHONE: (907) 465-4777
- 949 E. 36TH AVENUE, SUITE 400  
ANCHORAGE, ALASKA 99508  
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BETHEL, ALASKA 99559  
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NOME, ALASKA 99762  
PHONE: (907) 443-5457
- P.O. BOX 280  
KOTZEBUE, ALASKA 99752  
PHONE: (907) 442-3675
- 1514 CUSHMAN STREET, ROOM 201  
FAIRBANKS, ALASKA 99701  
PHONE: (907) 452-7126
- P.O. BOX 10041  
DILLINGHAM, ALASKA 99576  
PHONE: (907) 842-2245

Position Paper  
RE: SB 250  
April 8, 1985  
Page 2

3. Inconsistent with intent of property tax.

Implementation of this concept would result in higher property taxes for some and lower property taxes for others. The basic concept of property taxation attempts to provide equal protection and services to property for equal taxes paid. The language in HB 250 is inconsistent with that concept. We believe a system providing for fines or penalties at the municipal level and incorporated in a beautification ordinance would be more effective and less costly to administer.

  
\_\_\_\_\_  
Emil Notti, Commissioner

STATE OF ALASKA 1985 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date: \_\_\_\_\_

REQUEST

Bill/Resolution No.: SB 250  
 Title: An act ... tax exemption...  
 real property  
 Sponsor: Fischer  
 Requestor:  
 Date of Request: April 5, 1985

FISCAL DETAIL

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

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
<b>OPERATING</b>						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
<b>TOTAL OPERATING</b>		-0-	-0-	-0-		

<b>CAPITAL</b>						
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<b>REVENUE</b>						
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>		-0-	-0-	-0-		

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

Prepared By: Michael W. Worley, State Assessor  
 Division: Municipal & Regional Assistance

Phone: 465-4750

Date: April 5, 1985

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

Date: 4/8/85

Distribution (by Agency preparing fiscal note):

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

7/1/84

Introduced: 3/22/85  
Referred: Community & Regional Affairs  
and Finance

1 IN THE SENATE

BY P.FISCHER BY REQUEST

2

SENATE BILL NO. 250

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to a tax exemption for real property  
7 that is improved in a way that enhances its  
8 appearance; and providing for an effective date."

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

10 \* Section 1. AS 29.53.025(b) is amended to read:

11 (b) A municipality [MUNICIPALITIES] may by ordinance

12 (1) classify boats and vessels for purposes of taxation and  
13 may establish the assessed valuation of boats and vessels on the basis  
14 of their registered or certificated net tonnage; a tax based upon a  
15 tonnage valuation shall not exceed \$5 a year for a boat or vessel of  
16 less than five net tons and shall not exceed \$15 a year for a boat or  
17 vessel of more than five net tons;

18 (2) classify and exempt from taxation

19 (A) the household furniture over \$500 in value and the  
20 effects of the head of a family or a householder;

21 (B) the property of an organization not organized for  
22 business or profit-making purposes and used exclusively for  
23 community purposes, provided that income derived from rental of  
24 such property does not exceed the actual cost to the owner of the  
25 use by the renter;

26 (C) historic sites, buildings and monuments; and

27 (D) land of a nonprofit organization used for agricul-  
28 tural purposes if rights to subdivide the land are conveyed to  
29 the state and the conveyance includes a covenant restricting use

1 of the land to agricultural purposes only; rights conveyed to the  
2 state under this subparagraph may be conveyed by the state only  
3 in accordance with AS 38.05.069(c);

4 (3) exempt business inventories from taxation;

5 (4) classify as to type and exempt or partially exempt any  
6 or all types of motor vehicles from taxation;

7 (5) exempt up to \$20,000 of the assessed value of real  
8 property from taxation if the property has been cleaned up, repaired,  
9 or altered during the tax year in a way that enhances its exterior  
10 appearance.

11 \* Sec. 2. AS 29.53.025(f) is repealed.

12 \* Sec. 3. This Act takes effect January 1, 1986.

COMMITTEE REPORT  
SENATE

FURTHER: FINANCE

3/22/85

Date April 9 1985

Mr. President

The Committee on C&RA considered SB 250

tax exemption for real property that is improved in a way that enhances its appearance; etc.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for SB 250 (CIRA)
- new title
- same title and recommends \_\_\_\_\_
- and attached a "LETTER OF INTENT"  NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

[Signature]  
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MEMBERS HAVING  
OTHER RECOMMENDATIONS

Adrian Sturgulowski rec  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

[Signature]  
Chairman  
Do Pass  
Chairman recommendation

April 9. 1985

Paul Fischer - Assembly is still boss of Assessor  
Coghill - It is local option -

V.c.F - This does not relate enhancement  
value to amt of tax exemption

Sturg - You are not going to get there w/ this bill

Fish - Fairbks - is doing this now -

Sturg, Will you be killing the Fairbks program

Fisher - Would like Sec 2 out

Delouis. What would (5) do in addition to (F)

Fischer - "F" up to 5 yrs add. appraisal would be  
waived  
this gives another option on local level

Sturg, Philosophically opposed to shifting tax burden  
somebody pays the cost of operation of gov.

Coghill - moved to delete Sec 2 and  
remember  
passed unanimously

Mike Worley - State Assessor

Ask Assoc of Assessing Officers strongly  
opposed - have problems w/it conceptually

Get Juneau ordinance for Corrd. —

If clean-up, repair entitled to exemption  
how can this be controlled unless you  
hire another assessor

Coghill - Could exchange assessors ---

Knowles - Have discussed w/Coghill - great deal of  
interest — 1st identifying 1986 funding —  
requested freeze on 1985 funding

Yes - qualified by checking w/other Mayors  
Mayor Will be back in Juneau - end of month

Sturgis to Knowles -

What would you like to see heard in  
the interim —

do not want to revise any of the  
formula's for rev sharing or muni assist  
Want to see some changes in Sch  
foundation funding

Edna = Mayors should consider what they want us  
to do —

SB 244 - HB 215 -  
look at Rds maintenance

Worley - Muni should adopt a beautification  
ordinance - and handle it that way --  
rather than this bill

29.53.025

property in  
property for  
R2d 903.

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his section

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purposes,  
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gricultural  
aragraph  
5.069(c);

all types

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as to city  
opted as  
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borough  
terminated

§ 29.53.025

MUNICIPAL GOVERNMENT

§ 29.53.025

(3) a home rule or general law city within an organized borough may, by ordinance, adjust its property tax structure in whole or in part to the property tax structure of the borough, including but not limited to exempting or partially exempting property from taxation.

(d) Exemptions or exclusions from property tax which have been granted by home rule municipalities in addition to exemptions authorized or required by law, and which are in effect on September 10, 1972 and not later withdrawn, are not affected by this section.

(e) Municipalities may by ordinance classify and exempt or partially exempt from taxation privately owned land, wet land and water areas for which a scenic, conservation, or public recreation use easement is granted to a governmental body. To be eligible for a tax exemption, or partial exemption, the easement must be in perpetuity. However, the easement is automatically terminated before an eminent domain taking of fee simple title or less than fee simple title to the property so that the property owner is compensated at a rate which does not reflect the easement grant.

(f) A municipality may by ordinance exempt from taxation all or any part of the increase in assessed value of improvements to real property if an increase in assessed value is directly attributable to alteration of the natural features of the land or new maintenance, repair or renovation of an existing structure and if the alteration, maintenance, repair or renovation, when completed, enhances the exterior appearance or aesthetic quality of the land or structure. No exemption may be allowed under this subsection for the construction of an improvement to a structure if the principal purpose of the improvement is to increase the amount of space for occupancy or nonresidential use within the structure or for the alteration of land as a consequence of construction activity. An exemption provided in this subsection may continue for up to four years from the date the improvement is completed or from the date of approval for the exemption by the local assessor, whichever is later.

(g) A municipality may by ordinance exempt from taxation all or any part of the increase in assessed value of improvements to a single family dwelling if the principal purpose of the improvement is to increase the amount of space for occupancy. An exemption provided in this subsection may continue for up to two years from the date the improvement is completed or from the date of approval of an application for the exemption by the local assessor, whichever is later. (§ 2 ch 118 SLA 1972; am § 2 ch 1 FSSLA 1973; am § 1 ch 33 SLA 1975; am § 1 ch 111 SLA 1976; am § 1 ch 262 SLA 1976; am § 1 ch 95 SLA 1977; am § 31 ch 94 SLA 1980; am § 1 ch 44 SLA 1983; am § 1 ch 27 SLA 1984)

Effect of amendments. — The 1980 "weighted voting" near the beginning of amendment deleted "adopted without paragraph (1) of subsection (c).



Official Business

# Alaska State Legislature

Senator  
Vic Fischer

## Community & Regional Affairs Committee

Pouch V  
State Capitol  
Juneau, Alaska 99811

April 9, 1985

Committee will hear -- SB 250

An Act relating to a tax exemption for real property that is improved in a way that enhances its appearance; and providing for an effective date

The bill amends 29.53.025(b) -- adding another provision allowing exemption from taxation from real property tax:

\$20,000 of the assessed value of real property may be exempted from taxation if said property is cleaned-up, repaired, or altered during the tax year in a way that enhances its exterior appearance

The exemption is at the option of the municipality

The bill appeals AS 29.53.025(f) which is attached

The Department of C&RA does not support the bill and attaches a zero fiscal note

---

No meeting on Thursday -- April 11

on Tuesday, April 16 will hear SB 270 -- An Act relating to the durational residency requirement for a candidate for a home rule charter commission

and will consider a committee substitute for

SB 204 --Architectural, engineering, survey, contract requirements

STATE OF ALASKA 1985 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date: \_\_\_\_\_

**REQUEST**

Bill/Resolution No.: SB 250  
 Title: An act ... tax exemption...  
 real property  
 Sponsor: Fischer  
 Requestor:  
 Date of Request: April 5, 1985

**FISCAL DETAIL**

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

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
<b>OPERATING</b>						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
<b>TOTAL OPERATING</b>		-0-	-0-	-0-		

<b>CAPITAL</b>						
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<b>REVENUE</b>						
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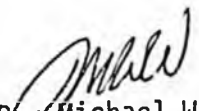
**FUNDING: (Thousands of Dollars)**

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>		-0-	-0-	-0-		

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

**ANALYSIS:** Attach a separate page if necessary

Prepared By:  Michael W. Worley, State Assessor  
 Division: Municipal & Regional Assistance

Phone: 465-4750  
 Date: April 5, 1985

Approved by Commissioner:   
 Agency: Community & Regional Affairs

Date: 4/8/85

Distribution (by Agency preparing fiscal note):  
 Legislative Finance  
 Legislative Sponsor  
 Requestor  
 Office of Management and Budget  
 Impacted Agency(ies)

7/1/84



# RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

*James O. Smith*  
Signature of Camera Operator

*10/31/89*  
Date

S B

270

COMMITTEE REPORT  
SENATE

FURTHER:

4/3/85

Date April 16, 1985

Mr. President

The Committee on C&RA considered ~~SB~~ SB 270

relating to the durational residency requirement for a candidate for a home rule charter commission; efd.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for SB270-C&RA
- new title
- same title and recommends \_\_\_\_\_
- and attached a "LETTER OF INTENT"  NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS

[Signature]

[Signature]

[Signature]

\_\_\_\_\_

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[Signature]  
Chairman

[Signature]  
Chairman recommendation

FURTHER:

4/3/85

Date April 16, 1985

Mr. President

The Committee on C&RA considered ~~SB~~ SB 270

relating to the durational residency requirement for a candidate for a home rule charter commission; efd.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for SB 270 - C&RA
- new title
- same title and recommends \_\_\_\_\_
- and attached a "LETTER OF INTENT"  NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

Artis Stupalski  
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MEMBERS HAVING  
OTHER RECOMMENDATIONS

\_\_\_\_\_  
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Edna D. Urie  
Chairman

Do Pass!  
Chairman recommendation

Original sponsor: Kerttula

IN THE SENATE

BY THE COMMUNITY AND REGIONAL  
AFFAIRS COMMITTEE

CS FOR SENATE BILL NO. 270 (C&RA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

FOURTEENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to the durational residency require-  
ment for a candidate for a home rule charter commis-  
sion; and providing for an effective date."

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

\* Section 1. AS 29.13.010(b) is amended to read:

(b) A charter is framed by a charter commission of seven members  
chosen by the municipal voters at a regular or special election. A  
candidate for the charter commission shall have been [BE] a [QUALI-  
FIED] voter of the municipality [AND A RESIDENT OF THE MUNICIPALITY]  
for at least one year [THREE YEARS] immediately preceding the charter  
commission election.

\* Sec. 2. This Act takes effect immediately in accordance with AS 01.-  
10.070(c).



Official Business

# Alaska State Legislature

## Senate

### Committee on Community and Regional Affairs

Senator Edna DeVries, Chairman

Members:

Senator Ferguson, Vice Chairman

Senator Coghill

Senator Sturgulewski

Senator V. Fischer

Pouch V

Juneau, Alaska 99811

Senate C&RA Meeting -- 16 April 1985

Committee will consider one new bill (SB 270) and one bill that was heard on March 21 (SB 204)

SB 270 - An Act relating to the durational residency requirement for a home rule charter commission (Kerttula)

Existing law requires that home rule charter commission candidates be voting residents of the Municipality the charter commission will serve for at least 3 years. SB 270 provides that candidates must have been voters of the affected city for at least one year; and of the borough where the city is located for at least three years.

Attached info on SB 270:

- 1) Sectional analysis
- 2) Legal Services opinion on constitutionality of residence requirements with the suggestion that residency requirements for home rule and unification charter commissions be made consistent (see final paragraph)
- 3) Position paper by Dept of C&RA -- Dept does not oppose the bill

SB 204 - An Act relating to contracts for architectural, engineering, and land surveying services (Sturgulewski & Rodey)

The committee considered this bill on March 21-- heard testimony but took no action.

A draft committee substitute has been drawn up...

The committee substitute deletes (d) under Section 1 (page 1, line 29) and replaces it with a new section. Major changes to the original bill are:

- 1) political subdivisions of the state are no longer under its provisions
- 2) price may be included by not more than 25% of the scoring formula for proposal evaluation for subject contract services when certain stated conditions exist

Attached info:

- 1) SB 204
- 2) draft CS for SB 204

STATE OF ALASKA  
THE LEGISLATURE

POUCH Y STATE CAPITOL  
JUNEAU, ALASKA 99811  
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

April 11, 1985

SUBJECT: Residency requirement of candidate for a  
Home Rule Charter Commission  
(Senate Bill 270)

TO: Senator Edna DeVries  
Chair,  
Community & Regional Affairs Committee

FROM: Tamara Brandt Cook *TBC*  
Deputy Director  
Division of Legal Services

This is the sectional analysis that you requested of SB 270.

Section 1 Requires a candidate for the home rule charter commission of a city in a borough to have been a voter of the city for at least one year and a voter of the borough in which the city is located for at least three years. Existing law required that candidates be voters of the municipality the charter commission will serve for three years, regardless of the type of municipality involved.

Section 2 An immediate effective date is provided.

TBC:ojb  
J13/078

STATE OF ALASKA  
THE LEGISLATURE

POUCH Y STATE CAPITOL  
JUNEAU, ALASKA 99811  
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

April 11, 1985

SUBJECT: Residency requirement for charter commission candidates (SB 270)

TO: Senator Edna DeVries  
Chair,  
Community and Regional Affairs Committee

FROM: Tamara Brandt Cook *ABC*  
Deputy Director  
Division of Legal Services

You have asked whether there is a constitutional problem with the residency requirement for charter commission candidates contained in SB 270. Under AS 29.13.010(b) the candidate for a charter commission that is to prepare a home rule charter for a first class municipality or second class borough must have been a resident of the municipality for three years. SB 270 does not increase the durational residency requirement, but allows a candidate who has resided in a city for only one year to serve on the city charter commission if the candidate has resided in the borough in which the city is located for the three year period. Oddly, under AS 29.68.300 only a one year residency requirement is imposed on a candidate for a charter commission that is to prepare a unification charter.

The Supreme Court of Alaska has upheld a durational residency requirement of one year for the offices of city mayor and member of the council in Castner v. City of Homer, 598 P.2d 953 (Alaska 1979). The court in that case acknowledged that certain municipalities have longer residency requirements for elected officials, but did not indicate whether a residency requirement longer than one year would be upheld if challenged. The court did note, "In general, the weight of authority is against longer durational residency requirements for local offices . . ." (Page 955). It appears to me that a one year durational residency requirement for a charter commission candidate would be upheld because that office, like the offices of

Senator Edna DeVries  
April 11, 1985  
Page 2

mayor and member of council, is an elected office. It also appears to me, in view of language quoted, to be questionable whether a three year residency requirement for any elected municipal office would be upheld if challenged.

It should be noted that no constitutional problem is created by SB 270, since the potential problem is contained in existing law. If the committee should wish to address this matter, I would recommend that the durational residency requirement for a candidate for a home rule charter commission be simply lowered to one year to match the requirement now imposed on a candidate for a unification charter commission. This would also, I believe, resolve the concerns of the sponsor of the bill.

TBC:ojb  
j13/083

# STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

BILL SHEFFIELD, GOVERNOR

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

949 E. 36TH AVENUE, SUITE 400  
ANCHORAGE, ALASKA 99508  
PHONE: (907) 563-1073

April 15, 1985

## POSITION PAPER

RE: Senate Bill 270

SPONSOR: Senator Kerttula

### Program Effects

The proposed amendment would create two classes of charter commissions in terms of candidate durational residency requirements. Candidates for the charter commission of a borough or city in the unorganized borough would continue to have an eligibility requirement of three years residency in the municipality. However, candidates for the charter commission of a city in an organized borough need only have been a resident of the city for one year in addition to having been a three year resident of the borough within which the city is located. The bill would have no effect on departmental programs.

### Comments

The department does not oppose this bill. The proposed amendment is designed to meet the situation of certain cities in an organized borough which have a mobile population or relatively recent influx of residents where a three year residency requirement may exclude a large proportion of the population from being candidates. The retention of the requirement of three year residence in the borough within which the city is located is apparently designed to insure some familiarity with issues of a local nature.

Although this three year residency requirement exists in current law, the trend of judicial decisions has been to strike down unreasonably lengthy durational residency requirements. The case in point, which this amendment is designed to address, displays the sort of problems such a residency requirement may cause.

  
\_\_\_\_\_  
Emil Motti, Commissioner

Bannister  
4/10/85 ✓

Original sponsors: Sturgulewski and Rodey

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IN THE SENATE

BY THE COMMUNITY AND REGIONAL  
AFFAIRS COMMITTEE

CS FOR SENATE BILL NO. 204 (C&RA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

FOURTEENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to contracts for architectural,  
engineering, and land surveying services; and provid-  
ing for an effective date."

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

\* Section 1. AS 36.98 is amended by adding a new section to read:

Sec. 36.98.043. ARCHITECTURAL, ENGINEERING, AND LAND SURVEYING  
CONTRACTS. (a) Notwithstanding the provisions of AS 36.98.010(3) and  
36.98.040, a state agency shall negotiate a contract with the most  
qualified and suitable firm or person of demonstrated competence for  
architectural, engineering, or land surveying services. The state  
agency shall award a contract for those services at fair and reason-  
able compensation as determined by the state agency, after considera-  
tion of the estimated value of the services to be rendered, and the  
scope, complexity, and professional nature of the services.

(b) If negotiations with the most qualified and suitable firm or  
person under (a) of this section are not successful, the state agency  
shall negotiate a contract with other qualified persons or firms of  
demonstrated competence, in order of public ranking. The state agency  
may reject all or part of a proposal.

(c) This section does not apply to contracts awarded in a situa-  
tion of public necessity if the person responsible for execution of  
the contract on behalf of the state agency certifies in writing that a  
situation of public necessity exists.

(d) Notwithstanding the other provisions of this section, a

1  
2 state agency may include price as a factor in the selection of archi-  
3 tectural, engineering, and land surveying services when all of the  
4 following conditions exist:

5 (1) the architectural, engineering, or land surveying  
6 services required by the contract are repetitive;

7 (2) the contract does not require design work;

8 (3) the state agency has thoroughly defined the scope of  
9 the project and the architectural, engineering, or land surveying  
10 services required by the contract.

11 (e) A state agency may not allocate more than 25 percent of the  
12 scoring formula for proposal evaluation to the consideration of price  
13 allowed under (d) of this section.

14 \* Sec. 2. This Act applies to requests for bids or proposals for archi-  
15 tectural, engineering, and land surveying services issued after the effec-  
16 tive date of this Act.

17 \* Sec. 3. This Act takes effect immediately in accordance with AS 01.-  
18 10.070(c).