

ALASKA LEGISLATURE COMMITTEE FILES 1985-1988 00/2

3891 SCRA HB 236 - HB 253

UNITED STATES OLYMPIC COMMITTEE ALASKA
Box 1154
Fairbanks, AK 99707
(907) 452-5488

May 8, 1985

Kenneth E. Bischoff, Director
Division of Finance
Department of Administration
Pouch C
Juneau, AK 99811

Dear Mr. Bischoff:

This is in response to your letters of January 2 and January 7 of 1985 concerning the Olympic Trust Fund program which HB 236 (Fin) intends to clarify and extend for the next Olympic Quaddrenium.

Senator DeVries, Chairman of the Senate Community and Regional Affairs Committee who currently has jurisdiction of HB 236 has requested the State Olympic Committee through its undersigned chairman to provide the backup information by responding in writing to the questions posed in your said letters. For purposes of convenience your letter of January 7th will be answered first.

In addition Chairman DeVries has requested an accounting report from the Committee on the money received to date and how expended.

Your letter will be responded to in the chronological order your questions were presented as follows:

1. Quarterly CPA audits:

(a) Fairbanks CPA, Mr. Ted Cox has agreed as a community volunteer service and as a reflection of his genuine interest in the olympic movement to quarterly audit the trust account without fee. Since all contributions to date amounting to \$27,124.73 raised by the committee were in cash and already matched in accordance with proper procedures informally established by the State with the bank it will not be necessary to provide an audit of these funds. However, all quarters following the receipt of future donations and matching funds based thereon, will be audited by Mr. Cox to establish the existence of adequate backup information qualifying the state match.

(b) Bank and committee handling of in kind private donations. After extensive discussions with the First National Bank of Fairbanks (the trust fund committee official depository), the

parties have reached an understanding that pending legislative action on HB 236- defining controls and criteria for handling in kind gifts - only private cash donations will be matched by the state. Hence the pending \$300,000 claim by the committee with the state for matching fair market value for new equipment donations to the committee will not be claimed unless and until the committee reduces said equipment to cash through a sale or auction.

2. Status of project activity.

This matter is covered in the above paragraph concerning the above mentioned \$300,000 claim. The \$27,124.73 already paid by the State in matching funds was in response to certified bank deposit statements showing private cash donations in that exact amount.

3. Required support documents for matching funds.

(a) It is agreed between all parties that a certified copy of a bank trust account statement, showing cash deposit donations is required to be submitted to the state as a condition precedent to the State Olympic Committee receiving state matching funds.

(b) It is further agreed between the parties that the trust account be broken into two separate accounts - one for the payment of administrative costs and the other for contributions only. This breakdown has in fact been accomplished last February and there currently exists two accounts in the First National Bank. The administrative account is # 200069002, and the trust contribution account is # 1008002200.

It is agreed that the administrative account would periodically be replenished by a transfer from the contributions account based upon a fixed percentage of contributions determined to be reasonable and appropriate.

Disbursements from the contribution account will be of two types only: disbursements to a specific project funded by the program, periodic transfer to replenish the administrative account only.

It is further agreed a listing of all transactions by account for the month will be made. Descriptive data will include:

Each contributor name and amount to support each deposit entry (indicate if contributor makes any special stipulations and whether the contribution was cash or in-kind).

Each payee name and dollar amount for disbursements including a brief reference of the reason for the disbursement (administrative, special project, etc.)

4. Goals of the State Olympic Committee.

The overall objective of the Olympic Trust Fund program is to undertake the following: (1) participate in the sponsorship of the official U.S. Junior Olympic program in Alaska; (2) Establish State Olympic training centers in various parts of the state including an official olympic headquarters both north and south of the range; (3) promote olympic excellence in Alaska youth and

adults by bringing Olympic competitors to the state and sending our athletes into competition outside the state; (4) to promote the olympic movement in any meaningful manner statewide; (5) with the permission of the U.S. Olympic Committee establish appropriate U.S. Olympic training centers in Alaska; (6) actively assist any city in Alaska seeking to host the official worldwide winter games.

Specific projects in Alaska the committee intends to sponsor preferably on a joint venture cooperative basis are: (1) working with the Alaska Division of the U.S. Ski association to establish and construct a State ski training headquarters at Mt. Alyeska; (2) assist the Southcentral Alaska sponsors of the scheduled Junior U.S. Olympic national ski competition by jointly constructing the required length ski jump to qualify for hosting the event; (3) construct a state olympic training center and headquarters in the Fairbanks area for olympic caliber athletes.

5. In response to Chairman DeVries requests for an accounting report on receipts and expenditures of Olympic Funds received to date the following is submitted:

Cash in		\$54,249.46
Cash out	Fund raising and administrative expenses	9,849.96
	Payment on Fairbanks training center	10,000.00
	Payment of Alaska's one time quadrennium quota to the U.S. Olympic Committee	<u>20,000.00</u>
	Subtotal Cash out	39,849.46
	Amount of cash in Administrative and trust account	<u>14,800.00</u>
	Total	<u>54,249.46</u>

6. In response to the major points raised by your January 2, 1985 letter the following is submitted:

(a) The items mentioned in paragraph one thereof are explanatory rather than interrrogatory in nature.

(b) In paragraph two this matter has been fully answered heretofore except your question concerning access to the Olympic Trust Fund records for audit purposes. The committee and the bank are currently and have been in the past maintaining accurate up to date records on all deposits and payments including support documents. It is agreed the state has full and unconditional access to these records at any time for audit purposes upon reasonable prior notice.

(c) As to recommendations for the permanent administration of the trust fund program the following is submitted:

(1) the committee agrees with your recommendation that the Department of Administration not administer the program for the reason that its role should be auditing rather than administering. The Department of Military and Veteran Affairs through its Commissioner Edward Pagano has agreed to administer the program and that fact has been conveyed to the House Finance Committee and is reflected in that committee's version of HB 236. However, the State Olympic Committee has no objection whatever to substituting the Department of Commerce and Economic Development as the administrator in lieu thereof, as Commissioner Lounsbury is an ardent supporter of the Olympic movement and a past member of the statewide Olympic Committee.

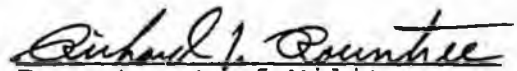
(2) the Olympic Committee concurs with your recommendation that the state employee contributions be handled as an integral part of the "share campaign".

Sincerely,



Edward A. Merdes
State Chairman
U.S. Olympic Committee
Alaska

CONSENT TO ADMINISTER THE
OLYMPIC TRUST FUND PROGRAM



Department of Military &
Veteran Affairs
Richard Roundtree, Director
Administrative Services

The above procedures are reasonable and address my previous concerns outlined in my January 2 + 7 letters together with the provision that the most recent version of the House Finance CS for HB 236 is adopted and Passed by the legislature

Ken Bischoff 5/8/85

Bill Sheffield, Governor

DEPARTMENT OF ADMINISTRATION

DIVISION OF FINANCE

POUCH C
JUNEAU, ALASKA 99811
PHONE: (907) 465-2240

January 7, 1985

Mr. Ed Merdes
Trustee
Alaska United States Olympic Committee
P.O. Box 910
Fairbanks, AK 99707

Dear Mr. Merdes:

This letter is to request your confirmation of these items we discussed in Fairbanks January 3 concerning what will be needed in order for the trust to be routinely reimbursed by the State for the State match requirement:

1. For the interim period through June 30, 1985, trust activity will be audited on a quarterly basis by an independent certified public accountant (Mr. E.M. Cox) who's quarterly audit report will attest to the degree.
 - o financial claims for matching funds are fairly stated and are supported by adequate backup documentation (source copies of receipts, invoices, checks, etc.) necessary to provide a reliable audit trail.
 - o cash and in-kind contributions are from private sources.
 - o requests for State match only include amounts that have been donated as cash or deposited based on the following understanding:

Per our discussions, it is the State's understanding the bank has assumed the risk for ultimate disposition of donated (in-kind) property. The bank has agreed to deposit funds based on valuations determined by independent appraisal of donated in-kind property as a community service thus allowing the program to proceed without delays otherwise required to convert donated in-kind property to cash. Funds deposited to the trust as a result of in-kind contributions are property of the trust with no recourse by the bank or other interested party, even when disposal is significantly delayed or proceeds finally realized from disposal are less than the amount originally deposited to the trust in recognition of the in-kind contribution.

THE STATE WILL REQUEST A CONFIRMATION LETTER FROM THE BANK THAT THE STATE'S UNDERSTANDING OF THE TREATMENT FOR IN-KIND CONTRIBUTIONS IS CORRECT.

- State match is being used for purposes consistent with enabling legislation, currently Chapter 141, SLA 84 and other agreements made between the State and the Olympic Committee to define the terms, conditions, and deliverables under which this program will operate.

Audit reports will be prepared for the last two quarters of this fiscal year.

If this program is continued past June 30, 1985 and all is working well, the quarterly audit requirement could be reduced to a single annual audit.

2. Status of project activity

- We have reviewed activity of the trust from July 1, to December 31, 1984. Claims for State match total \$327,124.73. The State has paid \$27,124.73. More than 90% of the dollars claimed were represented by one transaction which was a result of a \$300,000 deposit made based upon an in-kind contribution, treated in a manner consistent with the procedure for in-kind contributions described above.

When the State receives confirmation from the bank that the procedure for in-kind contributions is correctly understood, the State will make payment.

3. The bank will send the following monthly as support for claims for match.

- Certified copies of the trust bank statements

It was agreed that the trust would be broken out into two separate accounts: one account for payment of administrative costs, and one account for contributions only.

The administrative account would periodically be replenished via transfer from the contributions account probably based on some fixed percentage of contributions determined to be appropriate.

Disbursements from the contribution account would be of two types only; disbursements to a specific project funded by the program, periodic transfer to replenish the administrative account.

- A listing of all transactions by account for the month. Descriptive data will include:

Each contributor name and amount to support each deposit entry (indicate if contributor makes any special stipulations and whether the contribution was cash or in-kind).

Each payee name and dollar amount for disbursements including a brief reference of the reason for the disbursement (administrative, special project, etc.)

4. We generally talked about what programs or projects you expected to use the match for, but we never got down to real specifics. One reason for that is that not enough money has accumulated yet to do much with. However, what the Olympic Committee expects to accomplish with matching funds does need to be documented. I have seen correspondence that one possible area is to establish Olympic programs in schools. I am sure you have considered other possibilities. A review of the enabling statute (Chapter 141, SLA 84) does not give any real indication what the funding is supposed to be used for and who is ultimately eligible to receive services from it.

Even though we did not discuss the issue in detail as to what specific projects you will use the match money for, we are reminded that it is public money and we must take steps to ensure that it will be used for a viable public purpose. If someone were to ask me what will be accomplished with the money from the State match, I have your word that it will be used for a good purpose. We need a more formal agreement.

The Olympic Program, as stated previously, was originally viewed as a one time appropriation. It is not reasonable to establish formal codified rules and regulations for a relatively small one time appropriation. However, upon reviewing the situation with the Department of Law, we have been advised that we should view this appropriation as a form of a grant and there should be some type of grant agreement stating specifically what the funding will be used for and what the tangible end products will be in addition to the administrative conditions we have already discussed. The grant agreement would be a working document setting out the ground rules we have discussed previously and will include specific deliverables as to what the money will be spent for to accomplish specified objectives within specified time frames.

I expect you to already have some program objectives documented and possible projects you would like to see completed. Please include a list of program objectives and programs to be funded to meet those objectives in priority of funding order so they may be included as part of our working agreement. As with any program of this nature, what you will be able to accomplish is dependent upon the level of funding you are able to

Mr. Ed Herdes

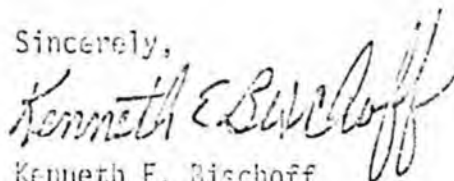
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January 7, 1985

achieve. At this point all you can really be expected is to indicate from your list which projects will be started and completed within specified time frames assuming specified levels of funding are attained.

Thank you for your cooperation and assistance.

Sincerely,



Kenneth E. Bischoff
Director

KES/jb

9/302/C107-01

cc: Lisa Rued
Commissioner
Department of Administration

E.M. Cox
Certified Public Accountant
1410 Cushman Street
Fairbanks, AK 99701

Alan W. Fulp
Commercial Loan Officer
First National Bank of Fairbanks
100 Cushman Street
P.O. Box 1230
Fairbanks, AK 99707

Bill Sheffield, Governor

DEPARTMENT OF ADMINISTRATION

DIVISION OF FINANCE

PO BOX C (MS 0204)
JUNEAU, ALASKA 99801
PHONE:
(907) 465-1241

January 2, 1985

Mr. Ed Merdes
Trustee
Alaska United States Olympic Committee
P.O. Box 910
Fairbanks, AK 99707

Dear Mr. Merdes:

This letter is a follow-up to our phone conversation of December 31 concerning activity of the Olympic Reserve Account. Our conversation focused on three areas:

1. The need to periodically confirm reimbursement activity. Please review the following and confirm that our records are consistent with yours. A review of our records shows that the state has received three requests for reimbursement since the Olympic Reserve Account legislation became effective and are:
 - A. First National Bank letter, dated August 20, 1984, for \$23,424.13 which has been paid.
 - B. First National Bank letter, dated December 20, 1984, for \$3,700.60 and has been authorized for payment, which should be received shortly.
 - C. First National Bank letter, dated December 27, 1984, for \$300,000.00 which is being reviewed and will be processed as soon as the funding source is known.
 - D. State employees contributions have been paid to you as follows:

		<u>Date Mailed</u>
July	\$ 166	08/02/84
August	801	09/05/84
September	1,005	10/03/84
October	1,037	11/06/84
November	1,032	12/04/84

2. The need to establish an improved payment procedure that provides an appropriate audit trail and adequate support for payment.

Upon review of certified copies of the trust account bank statements, it is evident that funds are being disbursed as well as being deposited. As discussed, administrative costs are being mixed into the same account as contribution deposits. With such a mixture of activity going on in one account, it is not feasible in a timely manner to adequately identify what the State matching requirement is in order to send prompt payments to you. To expedite the reimbursement process, please provide the following:

- A. You indicated that you were already planning to establish a separate account for contributions only so that the State matching requirement can be readily determined. This is a good idea. You mentioned that you would be having the bank do most of the book work needed to monitor trust activity. In order for the State to determine what its obligation is, a copy of the monthly bank statement together with a list of all transactions for the month (deposits and disbursements) is needed. For deposit transactions, please indicate contributor name and amount. For disbursement transactions, please indicate payee name and dollar amount. This information is needed to reconcile to the monthly statement and to identify the specific transactions for the month that support your claim for State match.
- B. Reasonable access to trust records for audit purposes. All organizations who receive State funds are subject to this requirement. If the bank is performing the bookkeeping function for you, then the State needs to have your authorization to periodically review these records as needed. There are alternatives on how access can be handled keeping in mind that the primary reason for having access is to be able to determine that the program is complying with financial and legislative concerns. One alternative is to have the State review records prior to making payment for the matching amount. Another alternative would be to have the records audited by a Certified Public Accountant (CPA) on a quarterly basis who would be instructed to attest to the fairness of the claim for match and that all is in compliance with the statute. Reimbursement could be made on a monthly basis and adjusted quarterly, if necessary, based on the results of audit. Since there are very few transactions per month, an independent audit by a CPA could be done quickly and inexpensively.

As a reminder to you, the Olympic Trust Fund legislation lapses on June 30. The latest date we can process a claim for FY 85 is August 31 for contributions received through June 30, 1985. Please take every precaution to submit the final claim as soon after June 30 as possible so that we can make the final matching payment within the legal reappropriation period.

3. The probability that the Olympic program will become a permanent activity in the state. There are a number of issues that need to be discussed here in advance of the upcoming legislative session so that we can all put our best foot forward. If this program is to be come permanent, then we need to look at efficiency concerns as well as where the program

should be located. As of last session, this program was viewed as a one-time occurrence to be completed on June 30, 1965. Consequently, there was no need to look at long-term administrative concerns. Some of the issues that will need to be addressed if this program continues include:

- A. In what State agency should the program reside. The Department of Administration is primarily a central service agency and does not have the funding to support programs that require public promotion. To logically place this program we need to look at what public service is being provided and look within the organization structure at where similar services are being provided. You have described the State Olympic program as using the State match to sponsor pilot projects in schools that would not otherwise be set up without this kind of a program. Generally, committees like the one you represent have a supporting connection to an executive branch agency that is responsible for furthering similar kinds of activities. Perhaps the Department of Education may logically be better suited for this purpose.
- B. You have asked how all employees might be individually circularized and be made aware and, hopefully, contribute to the program. You mentioned that certain members of the legislature wish to draft a letter that could be inserted with regular State payrolls. This has not been done before and would require a forms change, additional personal services, and postage costs to accomplish such a task. These costs were not considered in our operating budget. This lends even more support toward attempting to make this program a part of the annual Share Campaign which is fully advertised and promoted by the administration each year. It makes more sense to canvass State employees in mass once each year than to ask them for money several times a year for individual programs. I feel you would see much stronger support for the Olympic program if it were part of the annual Share Campaign.
- C. With any public service program that becomes permanently instituted, a certain amount of administrative regulation is necessary to establish who is eligible to receive services, how is limited funding to be most fairly allocated, and to provide guidelines to help resolve any misunderstandings that may occur.
- D. The person to contact about the possibility of qualifying the Olympic program for participation in the Share Campaign is Malcolm Miner, who is Executive Director for United Way of Anchorage (phone 272-7531). An organization can be added through executive order or through legislation. Care needs to be taken to avoid adding extremely diverse programs that may not qualify as a charitable organization in terms of IRS review.

Mr. Ed Merdes

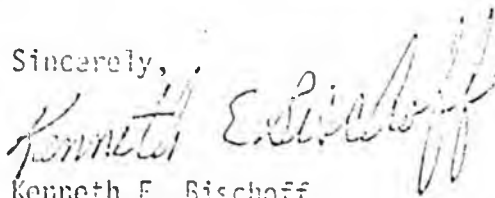
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January 2, 1985

There are enough issues on the table that I believe you and I, and probably the bank, need to have a meeting to get everything set up. I will be contacting you to set up a convenient time and date.

Thank you in advance for your assistance. If you have any questions, please call me at 465-2240.

Sincerely,


Kenneth E. Bischoff
Director

KEB/rtm

6/3D1/0102-15

cc: Commissioner Lisa Rudd
Department of Administration

Bill Sheffield, Governor

DEPARTMENT OF ADMINISTRATION
DIVISION OF FINANCE

FOUCH C
JUNEAU, ALASKA 99817
PHONE: (907) 465-2200


January 7, 1985

Mr. E. H. Cox
Certified Public Accountant
1410 Cushman Street
Fairbanks, AK 99701

Dear Mr. Cox:

This letter is a request for you to review an attached letter to Mr. Ed Mardes concerning our conversations on January 3 concerning the Olympic Committee. Please review the letter with respect to your understanding of the scope of the audit work to be performed and generally as a working agreement between the State and the Olympic Committee. Please respond in writing indicating that you are in basic agreement or if you have further concerns please indicate these in your response also.

Sincerely,


Kenneth E. Bischoff
Director

KEB/jb
9/3020107-03/1
Attachment
cc: Lisa Rudd
Commissioner
Department of Administration

Mr. Ed Mardes
Trustee
Alaska United States Olympic Committee
P.O. Box 910
Fairbanks, AK 99707

Alan W. Fulp
Commercial Loan Officer
First National Bank of Fairbanks
P.O. Box 1230
100 Cushman Street
Fairbanks, AK 99707

Bill Sheffield, Governor

DEPARTMENT OF ADMINISTRATION

DIVISION OF FINANCE

POUCH C
JUNEAU, ALASKA 99811
PHONE: (907) 465-2240

January 7, 1985

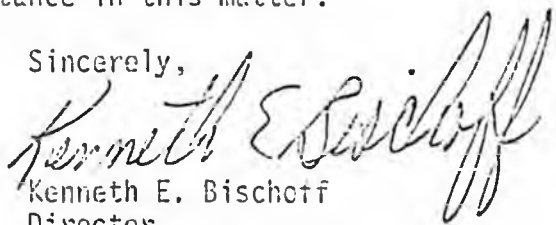
Mr. Alan W. Fulp
Commercial Loan Officer
First National Bank of Fairbanks
P.O. Box 1200
100 Cushman Street
Fairbanks, AK 99707

Dear Mr. Fulp:

This letter is a request for your bank to review and confirm some items in an attached letter to Mr. Ed Herdes concerning activities of the Olympic Committee. Please confirm that the State's understanding is correct as to how in-kind contributions are being treated described under item 1, as well as the status of claims described in item 2, and the information the bank is expected to provide in item 3.

Thank you for your help and continued assistance in this matter.

Sincerely,



Kenneth E. Bischoff
Director

KEB/jb
9/302/0107-G2
cc: Lisa Rudd
Commissioner
Department of Administration

Ed Herdes
Trustee
Alaska United States Olympic Committee
P.O. Box 910
Fairbanks, AK 99707

E.H. Cox
Certified Public Accountant
1410 Cushman Street
Fairbanks, AK 99701

SINCE 1909

First National Bank
OF FAIRBANKS

December 20, 1984

Mr. Kenneth E. Bischoff, Director
Department of Administration
Division of Finance
Pouch C
Juneau, Alaska 99811

Dear Mr. Bischoff:

Re: Alaska U.S. Olympic
Committee

At the request of Mr. Edward R. Merdes, Trustee for the Alaska U.S. Olympic Trust Fund account, at our bank I am enclosing a certified copy of the bank record at December 19, showing total deposits made on that date of \$3,700.60.

We understand that this certified statement is required as backup documentation for the committee so that it may receive matching funds from the State of Alaska.

Sincerely yours,

Walter J. Jerns
Vice President

cc: Edward R. Merdes

*Approved
See page 2*



117 11 18000002118

ALASKA US OLYMPIC TRUST FUND
PAGE: 1
ACCOUNT NUMBER: 18000002118
ACCOUNT TYPE: ODA

DATE/TIME 12-20-84 0732
PAGE: 1
ACCOUNT NUMBER: 18000002118
ACCOUNT TYPE: ODA

ENDING BALANCE	DEBITS AMOUNT	DEBITS NUMBER	CREDITS AMOUNT	CREDITS NUMBER	ENDING BALANCE
12/20/84					12/20/84
413,464.15	54,665.66	4	54,732.60	2	

END OF PAGE OR TERMINATE ...

ALASKA US OLYMPIC TRUST FUND

** STATEMENT DETAIL **

PAGE: 2

AMOUNT	DATE	AMOUNT	DATE	DESCRIPTION	AMOUNT	DATE	BALANCE
3,800.80DP	12/18	2,122.00	12/18		3,700.80DP	12/19	\$21074.73
723.68	12/19	960.00	12/19		1,916.59	12/19	\$18313.05

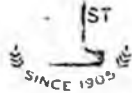
END OF DETAILS, ENTER NO. CUSTOMER SUMMARY OR TERMINATE ...

OK To Pay \$3700.60
KEB 12/26/84
02-95-2-260

Certified to be a true and correct copy of the statement of the account of Alaska U.S. Olympic Fund with our Bank at December 20, 1984.

First National Bank of Fairbanks

by: Nelda J. Freeman
Nelda J. Freeman, Vice Pres.



First National Bank
OF FAIRBANKS

August 20, 1984

Mr. Kenneth E. Bischoff, Director
Department of Administration
Division of Finance
Pouch C
Juneau, Alaska 99811

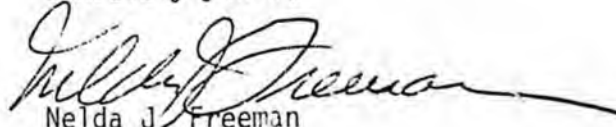
Dear Mr. Bischoff:

Re: Alaska U.S. Olympic Committee

At the request of Mr. Edward Merdes, Trustee for the Alaska U.S. Olympic Trust Fund account at our bank, I am enclosing a certified copy of the bank record at August 16.

We understand that this certified statement is required as backup documentation for the committee so that it may receive matching funds from the State of Alaska.

Sincerely yours,


Nelda J. Freeman
Vice President

Enclosure: One

cc: Mr. Edward Merdes



ALASKA US OLYMPIC TRUST FUND
-18
FAIRBANKS, ALASKA 99707

DATE/TIME 08-16-84/1555 PAGE: 1
ACCOUNT NUMBER: 10008002218
ACCOUNT TYPE: DDH

BEGINNING BALANCE	DEBITS AMOUNT	DEBITS NUMBER	CREDITS AMOUNT	CREDITS NUMBER	ENDING BALANCE
0.00					8/16/84
50.00	50.00	0	23,424.13	2	

ENTER (N)EXT PAGE OR (T)ERMINATE ..

AMOUNT	DATE	AMOUNT	DATE	AMOUNT	DATE	BALANCE
23,424.13	08/13	20,000.00	08/15			23424.13

END OF DETAIL. ENTER (C)USTOMER SUMMARY OR (T)ERMINATE ...

Certified to be a true and correct copy of the statement of account of Alaska U.S Olympic Trust Fund with our bank at August 16, 1984.

First National Bank of Fairbanks

by: [Signature]
Vice President



***** CUSTOMER SUMMARY *****

INCLUDES TODAY'S ONLINE ACTIVITY

ACCOUNT NUMBER BALANCE

000010008002201
000010008002218

00.00
23,424.13

SERVICE CHARGE? ENTER (Y)ES OR (N)O...

OK REB
CHA PT 141 SLASH 4

Employee Contribution

PAYMENTS MADE TO:

OLYMPIC TRUST FUND
ALASKA US OLYMPIC COMM
ED MERDES, TRUSTEE
P. O. BOX 910
FAIRBANKS, AK 99707

1,000.00+
1,485.50+
976.00+
551.00+
955.00+
955.00+
955.00+
001
7,295.50

JULY	166.00	PAID 8/1/84	5-6-85 amount collected under the name for each month. payroll does not pay the match. in separate match no P/A deduction incl private sector deduction needs to be made by someone other than us. Person
AUG	801.61	" 9/4/84	
SEPT	1005.00	" 10/2/84	
OCT	1037.00	" 11/5/84	
NOV	1032.00	" 12/4/84	
DEC	1004.00	" 1/4/85	NOT CLAIMED for match by olympic committee as yet
JAN	1486.50	" 2/4/85	
FEB	976.00	" 3/6/85	
MAR	961.00	" 4/2/85	
APR	956.00	" 5/3/85	
MAY	956.00		
JUNE	956.00		

Not Matched as of 5/6/85 Dec thru June = 7,295.50

ESTIMATED

EDWARD A. MERDES

Alaska State Chairman
P.O. Box 910
Fairbanks, AK 99707
907-452-3741
907-456-3327

DONALD A. DENNIS

Executive Director
P.O. Box 1154
Fairbanks, AK 99707
907-452-5488

CHARLES SASSARA

State Co-Chairman
P.O. Box 597
Gridwood, AK 99587
907-279-7654
907-784-2917

January 18, 1985

Mr. Kenneth E. Bischoff
Director
Department of Administration
State of Alaska
Pouch C
Juneau, AK 99811

Dear Mr. Bischoff:

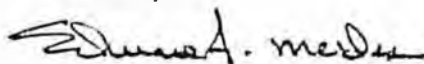
Thank you for your comprehensive letter of January 7, 1985 confirming the discussions in Fairbanks among officials of the First National Bank of Fairbanks, CPA E.M. (Ted) Cox, you and myself.

You requested the bank to confirm in writing the plan of action on the manner in which in-kind private donations will be matched. Officials of the bank, Mr. Cox and myself, with the following clarifying modification, concurred to by Sen. Bennett, fully agree with your plan of action.

When an in-kind private donation is received the State Olympic Committee shall obtain a fair market value appraisal thereof. The committee, in order to qualify for and obtain an equivalent state match, may submit said appraisal directly to the State and obtain the match, or alternatively, may submit the appraisal to the bank, which will thereupon deposit the amount in the Olympic Trust Fund and upon transmittal of a certified copy of said deposit to the State, be entitled to receive the equivalent match up to but not to exceed \$1 million in the aggregate. We trust the State will prefer the second alternative. A copy of Sen. Bennett's letter to Commissioner Rudd supporting this method is attached.

Finally in response to your request please be advised that the earnings from the Trust Fund will be used to implement and operate the official Junior Olympics Program in Alaska, a copy of a brochure explaining that program is enclosed. Aside from the Junior Olympics, the Trust Fund will carry out the development of Olympic excellence in Alaska as outlined in our constitution.

Sincerely,



Edward A. Merdes
State Olympic Chairman

EAM/am

CONCUR:



Alan H. Full, Commercial Loan Officer
First National Bank of Fairbanks



L. M. Cox, Certified Public Accountant

Alaska State Legislature

Records

Committee on Finance



PAID
State Capitol
Juneau, Alaska 99801

July 24, 1984

Honorable Lisa Edd
Commissioner of Administration
Pouch C
Juneau, Alaska 99811

Re: Olympic Trust Fund - Ch. 141SL84

Dear Commissioner,

The official Olympic Committee Alaska asked me to clarify legislative intent concerning gifts that qualify for matching in the above statute.

As co-author of the original bill, which created the trust fund, it was my intent and that of the Finance Committee, that the language in Sec 7(b) of the statute which provided that the state may appropriate matching funds equal to the amount of all private donations - includes in-kind private donations. However, the state should require a fair market value appraisal of such in-kind donations to qualify them for state matching funds.

Best Regards,

Don Bennett

Senator Don Bennett

CC: Official U.S. Olympic Committee Alaska

Bill Sheffield, Governor

DEPARTMENT OF ADMINISTRATION

DIVISION OF FINANCE

(HS 0204)
POUCH C
JUNEAU, ALASKA 99811
PHONE:

(907) 465-2241

January 17, 1985

Honorable Mike Szymanski
Alaska State Legislature
Pouch V, MS 3100
Juneau, AK 99811

Dear Representative Szymanski:

This letter is in response to your inquiry concerning the legislation that was passed last year on behalf of the United States Olympic Committee in Alaska (USOCA).

Chapter 141 SLA 84 established a reserve account for collecting employee contributions and to make disbursements to the USOCA. Additionally, that statute provided for the State to be able to match private contributions made to the USOCA up to a total of one million dollars. The State has been making monthly payments for employee contributions and has provided some matching funds based on private donations. We are in the process of finalizing how the disbursement of State matching funds to USOCA will work for the balance of the fiscal year. The legislation passed last session lapses on June 30, 1985. However, a movement is afoot to try to make the program continuing.

We have had several inquiries concerning how matching funds may be used and who is eligible to receive those funds. The legislation is set up so that all matching funds are sent to USOCA. Organizations wishing to become a participating program need to contact committee members to review their request. The statute is general in nature, as written, and gives USOCA the responsibility for determining how funds will be applied. The accountability check occurs through a written understanding between the State and USOCA as to what the record keeping requirements will be, what is required to disburse matching funds to USOCA, audit requirements, and a description of what USOCA intends to accomplish. Copies of the enabling legislation and letters of understanding are enclosed and will give you a more detailed understanding where exactly this program rests.

Membership in the United States Olympic Committee in Alaska includes:

Edward A. Merdes
Alaska State Chairman
P.O. Box 910
Fairbanks, AK 99707

Donald A. Dennis
Executive Director
P.O. Box 1154
Fairbanks, AK 99707

Honorable Mike Szymanski

-2-

January 17, 1985

Charles Sassara
State Co-Chairman
P.O. Box 597
Girdwood, AK 99587

Lew Williams, Jr.
Ketchikan, AK

Dr. Glen A. Olds
Anchorage, AK

Charity Kadow
Anchorage, AK

If we can be of further assistance to you, do not hesitate to call me at 465-2240.

Sincerely,



Kenneth E. Lischoff
Director

KEE/n1

13/301/0116-02/1

cc: Commissioner Lisa Rudd
Department of Administration

Edward A. Mercedes
Alaska State Chairman
P.O. Box 910
Fairbanks, AK 99707

Chapter 161

Committee in Alaska, not to exceed \$1,000,000 in the aggregate; and

(c) the salary and contributions made by all state officers and employees during fiscal year 1984 - 1985.

(c) The Department of Administration shall, before July 1, 1984,

(1) inform all state officers and employees about the deduction program; and

(2) provide all state officers and employees with a form, addressed to the governor or the governor's designee, on which the intention to participate in the Alaska-United States Olympic Trust Fund may be indicated.

* Sec. 4. This Act is repealed June 30, 1985.

* Sec. 5. This Act takes effect immediately in accordance with AS 01-10.070(c).



LAWS OF ALASKA

1984

Source
CHSB 488(SA)

Chapter No.

161

AN ACT

Creating an Olympic reserve account in the general fund; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1, LINE 9

Approved by the Governor: July 2, 1984
Actual Effective Date: July 3, 1984

AN ACT

Creating an Olympic reserve account in the general fund;
and providing for an effective date.

Section 1. LEGISLATIVE INTENT. The legislature finds that it is beneficial to support and encourage the spirit of dedication and excellence symbolic of Olympic athletes and to register choiceworthy support of the Olympic Games. Therefore, the legislature shall establish an Olympic reserve account in the general fund.

Sec. 2. OLIMPIC RESERVE ACCOUNT. There is created in the general fund an Olympic reserve account. The Olympic reserve account shall consist of money obtained from salary deduction contributions of officers and employees of the state under sec. 3(a) of this Act. The Department of Administration shall hold that money in trust and shall make regular payments from the reserve account to the beneficiary of the trust, the official United States Olympic Committee in Alaska, after that committee has established a private fund for private contributions.

Sec. 3. SALARY DEDUCTIONS AND TRUST CONTRIBUTIONS. (a) During the 1974 - 1981 fiscal year, one dollar a month shall be withheld from the salary of each officer and employee of the state who requests involvement in the program under (c) of this section. Salary deduction contributions shall be deposited into the Olympic reserve account.

(b) The state may appropriate to the official United States Olympic Committee in Alaska a matching amount equal to the amount of

(1) all private donations to the official United States Olympic

1	NEW LEGISLATION (CONT.)	APPROPRIATION		APPROPRIATION FUND SOURCES
		ITEMS	GENERAL FUND	
2				2
3				3
4	HB 31 AN ACT RELATING TO TAX BENEFITS FOR DISABLED	300,000	300,000	4
5	VETERANS AND SENIOR RESIDENTS			5
6	APPROPRIATED TO DEPARTMENT OF COMMUNITY			6
7	& REGIONAL AFFAIRS			7
8	HB 39 AN ACT RELATING TO SERVICES FOR PREGNANT	700,000	700,000	8
9	WOMEN			9
10	APPROPRIATED TO DEPARTMENT OF HEALTH &			10
11	SOCIAL SERVICES			11
12	HB 84 AN ACT RELATING TO SMOKING IN PUBLIC PLACES	20,000	20,000	12
13	AND VEHICLES			13
14	APPROPRIATED TO DEPARTMENT OF			14
15	ENVIRONMENTAL CONSERVATION			15
16	HB 84 AN ACT RELATING TO SMOKING IN PUBLIC PLACES	5,000	5,000	16
17	AND VEHICLES			17
18	APPROPRIATED TO DEPARTMENT OF COMMUNITY			18
19	& REGIONAL AFFAIRS			19
20	HB 277 AN ACT AUTHORIZING PARTICIPATION BY	40,000	40,000	20
21	MEMBERS IN THE JUDICIAL RETIREMENT SYSTEM			21
22	APPROPRIATED TO ALASKA COURT SYSTEM			22
23	HB 289 AN ACT RELATING TO THE TIME FOR OPENING	14,000	14,000	23
24	POLLS ON ELECTION DAY			24
25	APPROPRIATED TO OFFICE OF THE GOVERNOR			25

Chapter 122

PAGE 66

CCS HB 511

-36-

1	NEW LEGISLATION (CONT.)	APPROPRIATION		APPROPRIATION FUND SOURCES
		ITEMS	GENERAL FUND	
2				2
3				3
4	HB 455 AN ACT RELATING TO DEFECTS IN THE TITLE OF	54,000	54,000	4
5	STATE LAND			5
6	APPROPRIATED TO DEPARTMENT OF NATURAL			6
7	RESOURCES			7
8	HB 488 AN ACT CREATING AN OLYMPIC PRESERVE ACCOUNT	1,055,000	1,055,000	8
9	APPROPRIATED TO DEPARTMENT OF			9
10	ADMINISTRATION			10
11	HB 495 AN ACT RELATING TO MILITARY RETIREMENT	79,300	79,300	11
12	BENEFITS			12
13	APPROPRIATED TO DEPARTMENT OF MILITARY			13
14	AFFAIRS			14
15	HB 503 AN ACT RELATING TO RESIDENTS OF ALASKA	133,000	133,000	15
16	PIONEERS' HOMES			16
17	APPROPRIATED TO DEPARTMENT OF			17
18	ADMINISTRATION			18
19	HB 512 AN ACT ESTABLISHING THE ALASKA RAILROAD	39,372,200	2,372,200	19
20	CORPORATION			20
21	APPROPRIATED TO DEPARTMENT OF COMMERCE			21
22	& ECONOMIC DEVELOPMENT			22
23	HB 540 AN ACT RELATING TO WAIVER OF JUVENILES AS	24,800	24,800	23
24	APPROPRIATED TO DEPARTMENT OF			24
25	APPROPRIATED TO DEPARTMENT OF			25
26	CORRECTIONS			26

Chapter 122

PAGE 67

CCS HB 511

Edna -

5/9/87

This CONCERNS A MEETING ROOM
FOR A POSSIBLE C+RA Meeting ^{TODAY} on

The Olympic Bill - HB 236.

Sen FAHRENKAMP ADVISED ME SHE
HAS GIVEN UP HER BELTZ ROOM #
RESERVATION FOR TODAY AND THAT ROOM
IS FREE FROM 1:30 TO 3:30 TODAY MAY 9TH

ALLISS SAID SHE WILL ATTEND A
C+RA MEETING IF YOU CALL ME TO
CONSIDER HB 236.

I UNDERSTAND YOU MUST ASK THE
CONSENT OF THE SENATE TO CONSIDER THE BILL
TODAY AS THE (5) DAY NOTICE PROVISION MUST
BE WAIVED.

Edna - Re HR 236 5/9
John Ringstad one

PER your note, I CALLED
THE EXEC-DIR & SECRETARY OF
THE OLYMPIC COMMITTEE FOR AN
EXCERPT OF THE MINUTES THAT
AUTHORIZED THE PURCHASE OF THE OLYMPIC
TRAINING CENTER UNITS FOR FAIRBANKS.

John's OFFICE HAS THE TYPED
AND READY FOR YOU.

AVON & I DISCUSSED MY LETTER
& REPORT TO BISCHOFF - SHE SEEMS TO BE
SATISFIED. SHE & I FEEL ITS
APPROPRIATE FOR YOU TO ASK UNANIMOUS
CONSENT TODAY FOR THE (5) DAY WAIVER & SCHEDULE
A. C & RA MEET TODAY IF YOU'RE AGREEING
Ed. M



Alaska State Legislature
Senate

Committee on
Community and Regional Affairs

Senator Edna DeVries, Chairman
Members:
Senator Felix, Vice Chairman
Senator Cochran
Senator Stungulowski
Senator Fischer
P.O. Box 4
Juneau, Alaska 99801

March 27, 1986

To: Mike McMullen
Legislative Liaison
Dept. of Administration

From: Trudie Alford, Aide
Senate C&RA Committee

Subj: SCS CSHB 236 (C&RA) An Act creating a
Quadrennial Olympic Reserve Account

Work draft of subject bill is enclosed.

Please furnish the Senate Community & Regional Affairs
Committee a fiscal note and analysis on this work draft
bill.

Thank you.

*P. S. Bill is scheduled for hrg.
April 3. Senator DeVries would
appreciate someone from DDA
attending the Committee Meeting
and providing testimony.*



Official Business

Alaska State Legislature
Senate

Committee on
Community and Regional Affairs

Senator Edna DeVries, Chairman
Members
Senator Ferguson, Vice Chairman
Senator Coghill
Senator Sturgis
Senator Fischer

Pouch #
Juneau, Alaska 99811

27 March 1986

To Jennifer Tate
C+RA

FM Tondia Alford
Senate C+RA

Subj: SCS CS HB 236 (C+RA)
Creating a Quadrennial Olympic
Reserve account

Per our phone conversation. Cy
Work draft of subject bill
is attached.

Please furnish position paper
& fiscal note on bill.

Bill scheduled for hearing
4/3/86.

Excerpts from minutes of 1/11/85 of the Olympic Committee meeting in Fairbanks.

Meeting of Committee (Olympic) Jan. 11, 1985

Moved to purchase 14 Olympic training center units from Summit Logistics for purpose of establishing an Olympic headquarters and facilities for an Olympic training center at Growden Park. The fair market value of the units were established at \$175,000.00. Summit Logistics offered to sell them to the Olympic Committee for a \$50,000 reduction as they wholeheartedly support the Olympic movement and ideals.

The motion to purchase 14 Olympic training center units from Summit Logisitics for \$125,000 was passed. A \$10,000.00 down payment was agreed upon and the balance to be paid within 120 days, or upon completion of the installation, which ever comes later.

/s/

Don Dennis,
Secretary-Executive Director

USOC-Alaska

HB 236 An Act creating a Quadrennial Olympic Reserve Account, efd
State Affairs CS provided for administration under the Dept
of Commerce and Economic Development and carried a
fiscal note of \$1,036,600 for FY 1986

Finance CS allows matching for private donations in cash, and
matching for in-kind donations from private sources up to
\$1,000,000 -- puts program under the Dept of Military
Affairs
-- carried a fiscal note from Finance Committee of \$50,000

Finance CS amended (that passed the House) --

allows for matching up to \$50,000 of salary deductions

does not allow for matching in-kind donations

puts the program under the Dept of Commerce and Economic
Development

Ken Bischoff says that he did not endorse any particular
version of the bill --- he did mean that the Finance CS
provided properly for the accounting for both donations
of cash and in-kind donations --- and further, it did
not put the program under the Dept of Administration
which he feels is improper due to conflict of interest....



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

HPB

253

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY
LEGISLATIVE REFERENCE LIBRARY

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

May, 1986

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS date base CM 14. In order to save space copies of minutes have not been left in the files.

Jeanie Henry

*Senate Community and Regional Affairs,
4/2/85, 3:45 pm*



Official Business

Alaska State Legislature

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

 * DELIVER TO: JPOH *
 * *
 * ORIGINAL *
 * SENT: 04/11/85 TIME: 10:45 *
 * FROM: ANNIE NEUBAUER *
 * SUBJECT: POM/FAIRBANKS *
 * PRINT DATE: 04/11/85 TIME: 10:45 *
 * *

TO: SENATOR DEVRIES
 FROM: GUY SATTLEY, 1370 GREAT VIEW LANE, FAIRBANKS 99701
 PHONE: 457-4149
 RE: HB253 ASSESSMENTS FOR FIRE SERVICE AREAS

AS A PROPERTY OWNER AND TAX PAYER LOCATED AT THE EDGE OF AN EXPANDING FIRE SERVICE AREA, I URGE YOU TO APPROVE HB253. THIS WOULD RESULT IN AN EXPANSION OF FIRE PROTECTION TO THOSE WHO WANT IT, AND AN EQUITABLE FORM OF TAXATION.

.....

COMMITTEE REPORT
SENATE

FURTHER:

3/21/85

Date April 18, 1985

Mr. President

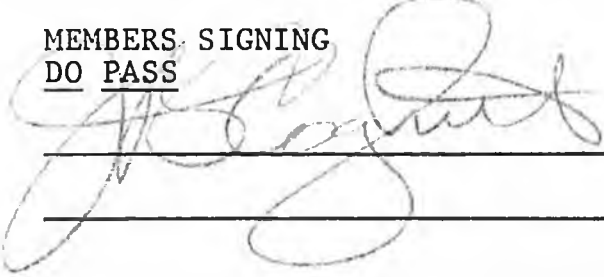
The Committee on C&PA considered CSHB 253 (C&PA)

allowing municipalities to exempt land from property taxes and from special assessments for fire protection service and fire protection facilities; 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





Chairman



Chairman recommendation

Offered: 3/18/85
Referred: Rules

Original sponsors: Koponen, Davis,
Larson, et al

Alphonse Koponen
BY THE COMMUNITY AND REGIONAL
AFFAIRS COMMITTEE

1 IN THE HOUSE

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

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For an Act entitled: "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."

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

* Section 1. AS 29.53.025 is amended by adding a new subsection to read:

(h) A municipality may by ordinance partially or wholly exempt land from a tax for fire protection service and fire protection facilities and may levy the tax only on improvements, including personal property affixed to the improvements.

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

Sec. 29.63.066. OPTIONAL EXEMPTION. 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.

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

Introduced: 3/1/85
Referred: Community & Regional
Affairs

BY KOPONEN, DAVIS, LARSON,
M.W. MILLER, RINGSTAD, SUND,
MARROU AND HURLEY

1 IN THE HOUSE

2

HOUSE BILL NO. 253

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 land from a tax for
14 fire protection service and fire protection facilities and may levy
15 the tax only on improvements, including personal property affixed to
16 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.

Original sponsor: Brown

BY THE COMMUNITY AND
REGIONAL AFFAIRS COMMITTEE

1 IN THE HOUSE

2 CS FOR HOUSE BILL NO. 87 (C&RA)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH 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 facilities; and providing for
9 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 read:

12 (h) A municipality may by ordinance exempt land from a tax for
13 fire protection service and fire facilities and may levy the tax only
14 on improvements, including personal property affixed to the improve-
15 ments.

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

17 Sec. 29.63.066. OPTIONAL EXEMPTION. If an assessment under this
18 chapter is for a fire protection facility, a municipality may exempt
19 land and levy the assessment only on improvements, including personal
20 property affixed to the improvements.

21 * Sec. 3. This Act takes effect January 1, 1982.
22
23
24
25
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27
28

HR 37 AN ACT ALLOWING MUNICIPALITIES TO EXEMPT LAND FROM PROPERTY TAXES AND FROM SPECIAL ASSESSMENTS FOR FIRE PROTECTION SERVICE AND FACILITIES; AND PROVIDING FOR AN EFFECTIVE DATE

AMENDED TITLE: CS4(C&RA)

PRIME SPONSORS: BROWN

<u>DATE</u>	<u>SEQ. NO.</u>	<u>JOURNAL PAGE</u>	<u>HOUSE ACTION</u>	<u>DATE</u>	<u>SEQ. NO.</u>	<u>JOURNAL PAGE</u>	<u>SENATE ACTION</u>
02/04/81	01	0157	FIRST READING -- COMMITTEE REPORTS	** 03/31/81	09	0585	FIRST READING -- COMMITTEE REPORTS
03/24/81	02	0671	C&RA -- DNP01, CS02, HR02				C&RA FINANCE
03/30/81	03	0740	SECOND READING				
03/30/81	04	0740	C&RA CS ADOPTED BY UNAN CONSENT				
03/30/81	05	0740	ADVANCED TO 3RD READING BY UNAN CONSENT				
03/30/81	06	0740	THIRD READING				
03/30/81	07	0740	PASSED BY DIV 31-06-03				
03/30/81	08	0741	EFFECTIVE DATE VOTE SAME AS PASSAGE				

HR 38 AN ACT RELATING TO THE QUALIFICATIONS FOR THE FARM OR AGRICULTURAL LANDS TAX EXEMPTION; AND PROVIDING FOR AN EFFECTIVE DATE

AMENDED TITLE: *AM

PRIME SPONSORS: BROWN

CO-SPONSORS: MOSS ROGERS

<u>DATE</u>	<u>SEQ. NO.</u>	<u>JOURNAL PAGE</u>	<u>HOUSE ACTION</u>	<u>DATE</u>	<u>SEQ. NO.</u>	<u>JOURNAL PAGE</u>	<u>SENATE ACTION</u>
02/04/81	01	0157	FIRST READING -- COMMITTEE REPORTS	05/12/81	12	1060	FIRST READING -- COMMITTEE REPORTS
05/01/81	02	1166	C&RA -- DP(AM)02, HR04	05/09/81	13	1423	C&RA COMM REFERRAL ADDED BY UNAN CONSENT
05/08/81	03	1303	SECOND READING	** 06/09/81	14	1423	MOVED FROM RES TO C&RA BY UNAN CONSENT
05/08/81	04	1303	AM01 ADOPTED BY UNAN CONSENT				C&RA
05/08/81	05	1304	AM02 ADOPTED BY UNAN CONSENT				TRANSPORTATION
05/08/81	06	1304	ADVANCED TO 3RD READING BY UNAN CONSENT				FINANCE
05/08/81	07	1304	THIRD READING				RULES
05/08/81	08	1304	PASSED BY DIV 36-02-02				
05/08/81	09	1305	EFFECTIVE DATE VOTE SAME AS PASSAGE				

CORRECTION

THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY

07/29/82

HISTORY OF LEGISLATION

R01-331-1040

PAGE 0050

19 31 AN ACT ALLOWING MUNICIPALITIES TO EXEMPT LAND FROM PROPERTY TAXES AND FROM SPECIAL ASSESSMENTS FOR FIRE PROTECTION SERVICE AND FACILITIES; AND PROVIDING FOR AN EFFECTIVE DATE

AMENDED TITLE: C&A (C&RA)

PRIME SPONSORS: BROWN

DATE	SEQ. NO.	JOURNAL PAGE	HOUSE ACTION	DATE	SEQ. NO.	JOURNAL PAGE	SENATE ACTION
02/04/81	01	0157	FIRST READING -- COMMITTEE REPORTS	** 03/31/81	09	0585	FIRST READING -- COMMITTEE REPORTS
03/24/81	02	0671	C&RA -- DHP01, CS02, HR02				C&RA DHP01
03/30/81	03	0740	SECOND READING				
03/30/81	04	0740	C&RA CS ADOPTED BY UNAN CONSENT				
03/30/81	05	0740	ADVANCED TO 3RD READING BY UNAN CONSENT				
03/30/81	06	0740	THIRD READING				
03/30/81	07	0740	PASSED BY DIV 31-06-03				
03/30/81	08	0741	EFFECTIVE DATE VOTE SAME AS PASSAGE				

19 32 AN ACT RELATING TO THE QUALIFICATIONS FOR THE FARM OR AGRICULTURAL LANDS TAX EXEMPTION; AND PROVIDING FOR AN EFFECTIVE DATE

AMENDED TITLE: *AM

PRIME SPONSORS: BROWN

CO-SPONSORS: MOSS ROGERS

DATE	SEQ. NO.	JOURNAL PAGE	HOUSE ACTION	DATE	SEQ. NO.	JOURNAL PAGE	SENATE ACTION
02/04/81	01	0157	FIRST READING -- COMMITTEE REPORTS	05/12/81	12	1040	FIRST READING -- COMMITTEE REPORTS
05/01/81	02	1166	C&RA -- DP(CAM)02, HR04	05/09/81	13	1423	C&RA COMM REFERRAL ADOPTED BY UNAN CONSENT
05/08/81	03	1303	SECOND READING	** 06/09/81	14	1423	MOVED FROM RES TO C&RA BY UNAN CONSENT
05/08/81	04	1303	AM01 ADOPTED BY UNAN CONSENT				C&RA
05/08/81	05	1304	AM02 ADOPTED BY UNAN CONSENT				TRANSPORTATION
05/05/81	06	1304	ADVANCED TO 3RD READING BY UNAN CONSENT				FINANCE
05/08/81	07	1304	THIRD READING				RULES
05/08/81	08	1304	PASSED BY DIV 36-02-02				
05/08/81	09	1305	EFFECTIVE DATE VOTE SAME AS PASSAGE				

CONSIDERATION OF THE DAILY CALENDARSECOND READING OF HOUSE BILLSHB 87

HOUSE BILL NO. 87 (allowing municipalities to exempt land from property taxes for a fire service district; effective date) was read the second time with the Community & Regional Affairs Committee report (page 671 of the journal).

Representative Meekins moved and asked unanimous consent that COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 87 (Community & Regional Affairs) (allowing municipalities to exempt land from special assessments for fire protection service and facilities; effective date) be adopted in lieu of the original bill. There being no objection, it was so ordered.

CSHB 87(C&RA)

Representative Meekins moved and asked unanimous consent that CSHB 87(C&RA) be considered engrossed, advanced to third reading and placed on final passage. There being no objection, it was so ordered.

CSHB 87(C&RA) was read the third time.

The question being: "Shall CSHB 87(C&RA) pass the House?"
The roll was taken with the following result:

CSHB 87(CRA)

Yeas: 31 Abood, Adams, Anderson, Beirne,
Bettisworth, Brown, Buchholdt,
Carney, Cato, Chuckwuk, Clocksin,
Cotten, Duncan, Fanning, Freeman,
Fuller, Grussendorf, Halford, Haugen,
Hurlbert, Malone, Meekins, Miller,
Montgomery, Moss, Phillips, Randolph,
Rogers, Smith, Sutcliffe, Vaska

DAILY CALENDAR

CSHB 87(C&RA) continued

HOUSE BILLS

Nays: 6 Barnes, Bylsma, Hayes, Martin, Metcalfe, O'Connell

Not Voting: 3 Cuddy, Cardiner, Zharoff

...alities to exempt land
...vice district; effective
...the Community & Regional
...f the Journal).

Representative Sutcliffe changed his vote from "nay" to
"yea."

And so, CSHB 87(C&RA) passed the House.

...asked unanimous consent
...BILL NO. 87 (Community
...alities to exempt land
...protection service and
...ed in lieu of the origin-
...n, it was so ordered.

Representative Meekins moved and asked unanimous consent
that the roll call on the passage of CSHB 87(C&RA) be con-
sidered the roll call on the effective date clause. There
being no objection, it was so ordered.

CSHB 87(C&RA) was referred to the Chief Clerk for engross-
ment.

...asked unanimous consent
...engrossed, advanced to
...passage. There being

HB 158

HOUSE BILL NO. 158 (relating to state regulation of fire-
works; effective date) was read the second time with the
Judiciary Committee report (page 672 of the journal).

Representative Meekins moved and asked unanimous consent
that COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 158 (Judiciary)
(same title) be adopted in lieu of the original bill.

Representative Hayes objected and withdrew his objection.
There being no further objection, it was so ordered.

...:7(C&RA) pass the House?"
...q result:

Anderson, Beirne,
Brown, Buchholdt,
Chuckwuk, Clocksin,
Fanning, Freeman,
Gardner, Halford, Haugen,
Horne, Meekins, Miller,
Moss, Phillips, Randolph,
Sutcliffe, Vaska

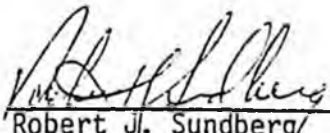
DEPARTMENT OF PUBLIC SAFETY
POSITION PAPER
HB 253

"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
Commissioner

3/12, 1985

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. Kodonen
 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
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL						
----------------	--	--	--	--	--	--

REVENUE						
----------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-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 J. Cramer 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)

7/1/84

SELECT - QUERY
00001 ALL SECTION EQ 29.53.025

AS29.53.025 DOCUMENT= 1 OF 1

CHAPTER = 29.53
SECTION = 29.53.025
TITLE = 29
HEADINGS TITLE 29.
MUNICIPAL GOVERNMENT.
CHAPTER 53.
MUNICIPAL ASSESSMENT AND TAXATION.
ARTICLE 1.
MUNICIPAL PROPERTY TAX.

CITATION SEC. 29.53.025.

CATCH LINE

OPTIONAL EXEMPTIONS AND EXCLUSIONS.

TEXT (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;

(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;

(C) HISTORIC SITES, BUILDINGS AND MONUMENTS; AND

(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);

(3) EXEMPT BUSINESS INVENTORIES FROM TAXATION;

(4) CLASSIFY AS TO TYPE AND EXEMPT OR PARTIALLY EXEMPT ANY OR ALL TYPES OF MOTOR VEHICLES FROM TAXATION.

(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 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.

HISTORY

(SEC. 2 CH 118 SLA 1972; AM SEC. 2 CH 1 FSSLA 1973; AM SEC. 1 CH 33 SLA 1975; AM SEC. 1 CH 111 SLA 1976; AM SEC. 1 CH 262 SLA 1976; AM SEC. 1 CH 95 SLA 1977; AM SEC. 31 CH 94 SLA 1980; AM SEC. 1 CH 44 SLA 1983; AM SEC. 1 CH 27 SLA 1984)

AS29.63.050 DOCUMENT= 7 OF 13 PAGE = 1 OF 1
CHAPTER = 29.63
SECTION = 29.63.050
TITLE = 29

HEADINGS TITLE 29.
MUNICIPAL GOVERNMENT.
CHAPTER 63.
SPECIAL ASSESSMENTS AND SERVICE AREAS.
ARTICLE 1.
SPECIAL ASSESSMENTS.

CITATION SEC. 29.63.050.

CATCH LINE

HEARING AND SETTLEMENT.

TEXT AFTER THE PUBLIC HEARING, THE ASSEMBLY OR COUNCIL SHALL CORRECT ERRORS AND ANY INEQUALITIES IN THE ROLL. WHEN THE ROLL IS CORRECTED, THE CLERK SHALL SO CERTIFY.

HISTORY (SEC. 2 CH 118 SLA 1972)

END OF DOCUMENT

AS29.63.060 DOCUMENT= 8 OF 13 PAGE = 1 OF 2
CHAPTER = 29.63
SECTION = 29.63.060
TITLE = 29

HEADINGS TITLE 29.
MUNICIPAL GOVERNMENT.
CHAPTER 63.
SPECIAL ASSESSMENTS AND SERVICE AREAS.
ARTICLE 1.
SPECIAL ASSESSMENTS.

CITATION SEC. 29.63.060.

CATCH LINE

PAYMENT.

TEXT (A) THE ASSEMBLY OR COUNCIL SHALL FIX TIMES OF PAYMENT, RATE OF INTEREST ON UNPAID INSTALLMENTS, AND DELINQUENCY OF ASSESSMENTS. PAYMENT MAY NOT BE REQUIRED SOONER THAN 60 DAYS AFTER ASSESSMENT. PAYMENT MAY BE IN ONE SUM OR BY INSTALLMENTS, BUT A SUM OR INSTALLMENT MAY NOT EXCEED 25 PER CENT OF THE ASSESSED VALUE OF THE PROPERTY AFFECTED. PENALTY AND INTEREST ARE THE SAME AS FOR REAL PROPERTY TAXES.

(B) WITHIN 30 DAYS AFTER FIXING THE TIME OF PAYMENT, THE

AS29.63.060 DOCUMENT= 8 OF 13 PAGE = 2 OF 2
MUNICIPAL CLERK SHALL MAIL A STATEMENT TO THE OWNER OF RECORD OF EACH PROPERTY ASSESSED. THE STATEMENT DESIGNATES THE PROPERTY, THE ASSESSMENT AMOUNT, THE TIME OF DELINQUENCY, AND PENALTIES.

(C) WITHIN FIVE DAYS AFTER THE STATEMENTS ARE MAILED, THE CLERK SHALL PUBLISH NOTICE THAT THE STATEMENTS HAVE BEEN MAILED.

(D) ASSESSMENTS ARE LIENS UPON THE PROPERTY ASSESSED AND ARE PRIOR AND PARAMOUNT TO ALL LIENS EXCEPT MUNICIPAL TAX LIENS. THEY MAY BE ENFORCED AS PROVIDED IN AS 29.53.200 - 29.53.390 FOR ENFORCEMENT OF PROPERTY TAX LIENS.

HISTORY (SEC. 2 CH 118 SLA 1972)

END OF DOCUMENT

AS29.63.065 DOCUMENT= 9 OF 13 PAGE = 1 OF 5
CHAPTER = 29.63
SECTION = 29.63.065
TITLE = 29

HEADINGS TITLE 29.
MUNICIPAL GOVERNMENT.
CHAPTER 63.
SPECIAL ASSESSMENTS AND SERVICE AREAS.
ARTICLE 1.

END OF DOCUMENT

AS29.63.065 DOCUMENT= 9 OF 13 PAGE = 1 OF 5
 CHAPTER = 29.63
 SECTION = 29.63.065
 TITLE = 29
 HEADINGS TITLE 29.
 MUNICIPAL GOVERNMENT.
 CHAPTER 63.
 SPECIAL ASSESSMENTS AND SERVICE AREAS.
 ARTICLE 1.
 SPECIAL ASSESSMENTS.
 CITATION SEC. 29.63.065.
 CATCH LINE
 EXEMPTION.

TEXT (A) THE REAL PROPERTY OWNED AND OCCUPIED BY A RESIDENT 65 YEARS OF AGE OR OVER, OR THE SPOUSE, WIDOW, WIDOWER, OR MINOR HEIR OF THE ORIGINAL APPLICANT, ON WHICH IS LOCATED ONLY THE OWNER'S PERMANENT ABODE THAT IS A SINGLE-FAMILY RESIDENCE, IS EXEMPT FROM (1) SPECIAL SEWER ASSESSMENTS LEVIED BY A HOME RULE OR GENERAL LAW MUNICIPALITY AFTER SEPTEMBER 2, 1975 AND (2) SPECIAL WATER ASSESSMENTS LEVIED BY A HOME RULE OR GENERAL LAW MUNICIPALITY AFTER SEPTEMBER 2, 1975. ONLY ONE EXEMPTION MAY BE

AS29.63.065 DOCUMENT= 9 OF 13 PAGE = 2 OF 5
 GRANTED WITH RESPECT TO THE SAME PROPERTY, AND, IF TWO OR MORE PERSONS ARE ELIGIBLE FOR AN EXEMPTION WITH RESPECT TO THE SAME PROPERTY, THE PARTIES SHALL DECIDE BETWEEN OR AMONG THEMSELVES WHICH SHALL RECEIVE THE BENEFIT OF THE EXEMPTION. REAL PROPERTY MAY NOT BE EXEMPTED UNDER THIS SUBSECTION WHICH THE MUNICIPALITY DETERMINES, AFTER NOTICE AND HEARING TO THE PARTIES CONCERNED, HAS BEEN CONVEYED TO THE APPLICANT PRIMARILY FOR THE PURPOSE OF OBTAINING THE EXEMPTION. THE DETERMINATION OF THE MUNICIPALITY IS APPEALABLE UNDER AS 44.62.560 44.62.570.

(B) AN EXEMPTION MAY NOT BE GRANTED UNDER THIS SECTION EXCEPT UPON WRITTEN APPLICATION FOR THE EXEMPTION ON A FORM PRESCRIBED BY THE STATE ASSESSOR FOR USE BY LOCAL ASSESSORS AND IN ACCORDANCE WITH THE FOLLOWING REQUIREMENTS:

(1) THE CLAIMANT MUST FILE THE INITIAL APPLICATION DURING THE PERIOD OF TIME BETWEEN THE DATE THE ASSESSMENT ROLL IS CERTIFIED AND THE TIME OF PAYMENT FIXED BY THE ASSEMBLY OR COUNCIL; WITHIN ONE YEAR OF THE DATE THE ASSESSMENT ROLL IS CERTIFIED THE ASSEMBLY OR COUNCIL FOR GOOD CAUSE SHOWN MAY WAIVE THE CLAIMANT'S FAILURE TO MAKE TIMELY INITIAL APPLICATION FOR THE EXEMPTION AND AUTHORIZE THE

AS29.63.065 DOCUMENT= 9 OF 13 PAGE = 3 OF 5
 ASSESSOR TO ACCEPT THE APPLICATION AS IF TIMELY FILED;
 (2) A CLAIMANT RECEIVING THE EXEMPTION MUST FILE WITH THE DEPARTMENT BY MARCH 15 OF EACH SUBSEQUENT YEAR A SEPARATE APPLICATION PROVING ELIGIBILITY AS OF JANUARY 1 IN ORDER TO RETAIN THE EXEMPTION; WITHIN THE SAME YEAR THE DEPARTMENT FOR GOOD CAUSE SHOWN MAY WAIVE THE CLAIMANT'S FAILURE TO MAKE TIMELY APPLICATION AND APPROVE THE APPLICATION AS IF TIMELY FILED;

(3) IF AN APPLICATION IS FILED WITHIN THE REQUIRED TIME UNDER THIS SUBSECTION AND IS APPROVED BY THE ASSEMBLY OR COUNCIL, THE EXEMPTION SHALL BE ALLOWED IN ACCORDANCE WITH THE PROVISIONS OF THIS SECTION; IF A WAIVER UNDER THIS SUBSECTION IS GRANTED AND THE APPLICATION FOR EXEMPTION APPROVED, THE AMOUNT OF ANY ASSESSMENT, PENALTY OR INTEREST WHICH THE CLAIMANT MAY HAVE ALREADY PAID ON THE ASSESSMENT SHALL BE REFUNDED; THE MUNICIPALITY MAY AT ANY TIME REQUIRE PROOF IN THE FORM CONSIDERED NECESSARY OF THE RIGHT AND

ROLL IS CERTIFIED AND THE TIME OF PAYMENT FIXED BY THE ASSEMBLY OR COUNCIL; WITHIN ONE YEAR OF THE DATE THE ASSESSMENT ROLL IS CERTIFIED THE ASSEMBLY OR COUNCIL FOR GOOD CAUSE SHOWN MAY WAIVE THE CLAIMANT'S FAILURE TO MAKE TIMELY INITIAL APPLICATION FOR THE EXEMPTION AND AUTHORIZE THE

AS29.63.065 DOCUMENT= 9 OF 13 PAGE = 3 OF 5

ASSESSOR TO ACCEPT THE APPLICATION AS IF TIMELY FILED;

(2) A CLAIMANT RECEIVING THE EXEMPTION MUST FILE WITH THE DEPARTMENT BY MARCH 15 OF EACH SUBSEQUENT YEAR A SEPARATE APPLICATION PROVING ELIGIBILITY AS OF JANUARY 1 IN ORDER TO RETAIN THE EXEMPTION; WITHIN THE SAME YEAR THE DEPARTMENT FOR GOOD CAUSE SHOWN MAY WAIVE THE CLAIMANT'S FAILURE TO MAKE TIMELY APPLICATION AND APPROVE THE APPLICATION AS IF TIMELY FILED;

(3) IF AN APPLICATION IS FILED WITHIN THE REQUIRED TIME UNDER THIS SUBSECTION AND IS APPROVED BY THE ASSEMBLY OR COUNCIL, THE EXEMPTION SHALL BE ALLOWED IN ACCORDANCE WITH THE PROVISIONS OF THIS SECTION; IF A WAIVER UNDER THIS SUBSECTION IS GRANTED AND THE APPLICATION FOR EXEMPTION APPROVED, THE AMOUNT OF ANY ASSESSMENT, PENALTY OR INTEREST WHICH THE CLAIMANT MAY HAVE ALREADY PAID ON THE ASSESSMENT SHALL BE REFUNDED; THE MUNICIPALITY MAY AT ANY TIME REQUIRE PROOF IN THE FORM CONSIDERED NECESSARY OF THE RIGHT AND AMOUNT OF AN EXEMPTION CLAIMED UNDER THIS SECTION.

(C) THE STATE SHALL REIMBURSE A HOME RULE OR GENERAL LAW MUNICIPALITY FOR THE SEWER AND WATER ASSESSMENT REVENUES WHICH IT

AS29.63.065 DOCUMENT= 9 OF 13 PAGE = 4 OF 5

WOULD RECEIVE BUT FOR THE OPERATION OF THIS SECTION.

REIMBURSEMENT UNDER THIS SUBSECTION IS A LIEN IN FAVOR OF THE STATE AGAINST THE PROPERTY EXEMPTED TO THE EXTENT OF THE ASSESSMENT AGAINST THE PROPERTY EXEMPTED. UPON RECORDATION IN THE RECORDING OFFICE OF THE DISTRICT IN WHICH THE PROPERTY EXEMPTED IS LOCATED THE LIEN IS PRIOR AND SUPERIOR TO OTHER LIENS AGAINST THE PROPERTY EXCEPT FOR GENERAL TAXES OR OTHER SPECIAL ASSESSMENTS AND MAY BE ENFORCED BY LIEN FORECLOSURE. THE LIEN BECOMES IMMEDIATELY DUE AND PAYABLE

(1) UPON SALE OR OTHER TRANSFER OF THE PROPERTY EXCEPT TO A SPOUSE, WIDOW, WIDOWER, OR MINOR HEIR; HOWEVER, IF THE PROPERTY IS TRANSFERRED TO A MINOR HEIR THE LIEN BECOMES DUE AND PAYABLE ON THE DATE THE MINOR HEIR REACHES THE AGE OF 25 YEARS; OR

(2) WHEN PROPERTY EXEMPTED UNDER (A)(1) OR (2) OF THIS SECTION RECEIVES MORE THAN ONE SEWER CONNECTION OR MORE THAN ONE WATER CONNECTION; OR

(3) WHEN THE CLAIMANT FAILS TO PROVE ELIGIBILITY UNDER (B)(2) OF THIS SECTION.

(D) IN THIS SECTION

AS29.63.065 DOCUMENT= 9 OF 13 PAGE = 5 OF 5

(1) "MINOR HEIR" MEANS A PERSON WHO, AT THE TIME OF TRANSFER OF THE PROPERTY, HAS NOT ATTAINED THE AGE OF 19 YEARS OR WHO, IF THE PERSON HAS NOT ATTAINED THE AGE OF 22 YEARS, IS A FULL-TIME STUDENT AT AN EDUCATIONAL INSTITUTION OR A MEMBER OF THE ARMED FORCES OF THE UNITED STATES.

(2) "REAL PROPERTY" INCLUDES, BUT IS NOT LIMITED TO, MOBILE HOMES, WHETHER CLASSIFIED AS REAL OR PERSONAL PROPERTY FOR MUNICIPAL TAX PURPOSES.

HISTORY (SEC. 1 CH 114 SLA 1975; AM SEC. 1 CH 215 SLA 1976; AM SEC. 23 CH 83 SLA 1979; AM SEC. 64 CH 59 SLA 1982; AM SEC. 19 CH 67 SLA 1983)

END OF DOCUMENT

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)	404	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

Offered: 3/18/85
Referred: Rules

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.

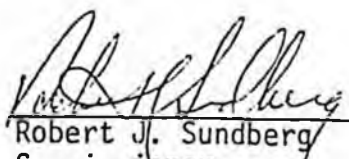
DEPARTMENT OF PUBLIC SAFETY
POSITION PAPER
HB 253 .

"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. Kobonen
 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
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
500 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL						
----------------	--	--	--	--	--	--

REVENUE						
----------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-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 J. 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)

7/1/84

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.

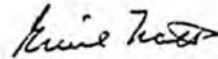
It is our position however, that fire protection for land is necessary to insure the preservation of agricultural crops, timber, grazing lands, livestock, and wildlife. To exempt such land from the obligation to pay for the fire protection service, and to require property improved with structures to 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, 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
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING		-0-	-0-	-0-		

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL		-0-	-0-	-0-		

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

Prepared By: Michael W. Worley
 Division: Municipal & Regional Assistance
 Approved by Commissioner: *Kevin Harte*
 Agency: Community & Regional Affairs

Phone: 465-4750
 Date: March 14, 1985
 Date: 3/15/85

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

7/1/84

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

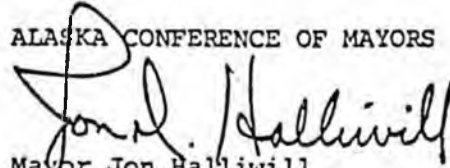
WHEREAS, the industries should not be penalized by not having proper fire protection due to large land holdings; and

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

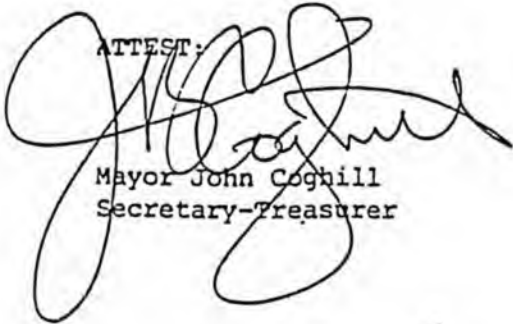
NOW, THEREFORE, BE IT RESOLVED by the Mayors' Conference that the Alaska State Legislature and the Governor be requested to amend AS 29.53.025 allowing municipalities to optionally exempt land values from fire service assessments.

ADOPTED this 16th day of November, 1984.

ALASKA CONFERENCE OF MAYORS


Mayor Jon Halliwill
President

ATTEST:


Mayor John Coghill
Secretary-Treasurer

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 assessment upon the land value. — local 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 Sturgeon
Presiding Officer

ATTEST:

Mona Lisa Pruefer
Clerk of the Assembly

IMPACT OF EXEMPTING LAND VALUES FROM FSA TAXATION

1. Base Data - 1984 Assessment Rolls

<u>FSA</u>	<u>LAND VALUE</u>	<u>IMPROVEMENT VALUE</u>	<u>ADJUSTED IMPROVEMENT VALUE</u>	<u>TOTAL</u>	<u>ADJUSTED TOTAL</u>
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	270,973,168	255,006,476
Steese	38,588,738	77,258,132	70,193,744	115,846,870	108,782,482
University	62,417,016	173,406,962	158,021,234	235,823,978	220,438,250

2. Tax Data - 1984

<u>FSA</u>	<u>MILL LEVY</u>	<u>TAX GENERATION LAND</u>	<u>TAX GENERATION ADJUSTED IMPROV.</u>	<u>TOTAL</u>
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

<u>FSA</u>	<u>MILL LEVY</u>	<u>YIELD</u>
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

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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.