

ALASKA LEGISLATURE COMMITTEE FILES 1997-1998 8672
9752 SENATE STATE AFFAIRS

Some doctors see lies behind reasons for late-term abortions

Leading abortion advocates are circling their wagons, and poor Ron Fitzsimmons, once one of them, seems to have been shoved outside the tight circle.

Fitzsimmons is the conscience-stricken head of the National Coalition of Abortion Providers who now admits he took part in telling Americans the big lie about so-called partial-birth abortions.

During the national debate on the late-term brain-sucking procedure, Fitzsimmons was one of many pro-abortion spokespersons and media dupes who assured the nation that almost all late-term abortions were done to preserve the health of the mother or because the fetus had serious abnormalities.

Now, Fitzsimmons said, "I lied through my teeth;" and that most late-term abortions were done for the same reason as early abortions - because women wanted to end pregnancies.

Fitzsimmons' confession was barely out of his mouth when he was whopped by fellow abortion advocates, who held a news conference to say, in effect, that he was being truthful when, he now says, he was lying. But now he is lying when he says he is finally being truthful.

Typical was Kate Michelman, president of the National Abortion and Reproductive Rights Action League. She said: "If he thinks he lied, that's his problem to deal with. We have not lied."

Gloria Feldt, president of Planned Parenthood Federation of America, said Fitzsimmons had been "mixing up gestation with procedure."

Whatever the heck that means.

While they squabble about who did or didn't lie, let's listen to someone else for once - genuine physicians, rather than the pro-abortion lobbyists and other non-



MIKE ROYKO

"Most of the time, there is nothing wrong with the baby or the mother," she said. "People have known about this for a decade.

"There is a clinic in New Jersey that said of the 3,000 abortions it did last year, 1,500 were late-term.

"So we went from being told that only 200 a year were being done in the entire country to one clinic saying it does 1,500 a year. Obviously, the actual number is in the thousands.

"The media believe what they want to believe. And because a lot of doctors who have testified in support of the partial-birth ban have been pro-life, the knee-jerk response is that it is a pro-life/pro-choice thing.

"There's been all this propaganda that it is done only because women need it. So people said: 'If my wife needs to have this to save her life, she should have it.' The problem is that it is not this procedure versus your wife's life.

One of the arguments for the late-term procedure is that it helps a woman preserve her fertility. Smith describes that as "fantasy."

The future-fertility risk was one of the excuses offered by President Clinton when he vetoed the bill that would have outlawed the procedure.

Clinton said: "There are a few hundred women every year who have personally agonizing situations where their children are born or are about to be born with terri-

ble deformities which will cause them to die either just before, during or just after childbirth.

"And these women, among other things, cannot preserve the ability to have further children unless the enormous size of the baby's head is reduced before being extracted from their bodies."

Which is bunk, according to Dr. Nancy Romer, chairman of obstetrics at Miami Valley Hospital in Dayton and a clinical professor at Wright State University.

"I don't understand that argument about fertility at all," she said. "We have no idea what happens to women who have this procedure down the road. We don't have a clue. There is no scientific evidence that shows that procedure will preserve the fertility of women."

As for the propaganda campaign that led Clinton to veto the bill outlawing the procedure, Romer believes she understands it:

"Those who opposed the legislation have a much broader agenda, and that is to have totally unrestricted access to abortion." They will defend abortion rights blindly, regardless of the facts of the matter. Any legislation, if it's anti-abortion, they are against it.

"They don't think, 'Is this procedure appropriate, who is doing it and why are they doing it?' They don't care about the details. They won't acknowledge the truth of what we are saying because it defeats their larger agenda."

So the whole battle is going to be fought in Congress one more time. And if a bill passes and gets to Clinton's desk, maybe he can ask the CIA or the FBI to find out who is telling the truth before he makes any more somber pronouncements.

Mike Royko is a columnist for the Chicago Tribune.



LEGISLATIVE INFORMATION OFFICE
119 N. CUSHMAN, SUITE 101
FAIRBANKS, AK 99701
452-4448

DATE: March 7, 1997

Please accept the enclosed original(s) of written testimony for the

House Judiciary Committee teleconference scheduled on
3-7-97. A copy of this testimony was transmitted to your committee via fax.

Thank you,

Christi Zaverle
HRS LIO

To The Alaska State Legislature

Please enter into the record my testimony to the **House Judiciary Committee on HB 65**, dated March 7, 1997.

Since the 1960's, we've all witnessed a steady decline in the moral standards of our country. Then, with the passage of Roe v Wade, a Pandora's box was literally opened up.

In our quest for "freedom" I believe those individuals who passed Roe v Wade lost their sense of determining right from wrong. Abortion at any stage of pregnancy is repugnant, but this partial birth abortion procedure is beyond belief. We as a nation are being strangled by "Our Freedoms". When will it end?

AFTER reading and or seeing pictures in which that tiny, helpless little human is being yanked out of the safe haven of his or her mother's womb by someone who supposedly has dedicated their life to the healing arts (not the killing arts). Having that "person" - and I use the term loosely - deliver all but that little baby's head and proceeds to cut open the back of the skull with blunt scissors, inserting a device that literally sucks out the baby's brain.

Those of you who are not in favor of passing this bill, are you able to sleep at night? If you have children, are you able to look at them and NOT think about how those other precious, tiny innocent victims of partial birth abortions met their demise? If you say that you are unaffected, I feel very sorry for you.

Please take a step in 'righting' a wrong by trying to put the lid back on this Pandora's box by saying YES to the passage of this bill.

Sincerely,



Linda G. Smith
P. O. Box 3726
Palmer, Ak 99645
(907) 746-7232



ALASKA STATE LEGISLATURE

PLEASE ENTER INTO THE RECORD MY TESTIMONY TO THE House Judiciary
 COMMITTEE ON HB 65 DATED 3/9/99
 BILL/SUBJECT COMMITTEE NAME

I thank you that I can express my vote on this house bill. I support it because it is murder whether or not the babys head is in the birth canal or has taken its first breath.

I wonder what situation would require the need for such a procedure when cesarian section has been available and would seem safer than the partial birth abortion? I just cant express my heart adequately how cruel and gruesome this is, how I can not understand that it is different from infanticide.

I have had my own children and am trained as an RN, (six live births, one set of twins), and am as against this procedure as anyone could be.
 Thank you!

SIGNED [Signature]
 TESTIFIER self

REPRESENTING (OPTIONAL)
1789 A Gilmore Tr. Fbks AK 99512 457-2277
 ADDRESS/PHONE NUMBER



ALASKA STATE LEGISLATURE

PLEASE ENTER INTO THE RECORD MY TESTIMONY TO THE HOUSE JUDICIARY
 COMMITTEE ON HR 15 COMMITTEE NAME
 BILL/SUBJECT DATED March 7, 1997

See attached letter

SIGNED

Ben Gray
 TESTIFIER

REPRESENTING (OPTIONAL)

1103 JOHN KALINIAS FIRMS AK 99712
 ADDRESS/PHONE NUMBER

907-488-6321

My name is Ann Cray and I am a mother of four children, two living grandchildren, two grandchildren who have died, and another that is in my daughter-in-law's womb. I have experienced the joy of holding two tiny babies that were born prematurely. Jessie was 2 pounds, two ounces and seven and a half months into gestation when he was delivered by caeserian section. Christian was one pound, one ounce and seven months into gestation when he was delivered.

Have any of you even seen let alone held a two to three pound baby? I have, and one thing I'll never forget is how sweet and precious these perfectly developed babies were, with their tiny little toes and fingers, with their tiny little mouths looking like they were trying to whistle, and their tiny little eyes looking all around.

Have you ever had a three pound baby look at your face and listen to you while you were holding them and talking to them? I have, and I will never forget it. I remember when Christian or Jessie would cry, you could see by their faces that they were crying but you did not hear them because they were so little. There was no sound.

Because of my experience of having watched my tiny grandbabies, there is no doubt in my mind that babies go through alot of pain during partial birth abortions or any abortion for that matter. These babies may have been tiny but they were still human beings with feelings and a need to be cuddled and loved. I was not holding some embryo, some piece of tissue, or fetus but a living baby, a tiny human being.

I wish you could all go to the neo-natal intensive care unit at Providence hospital in Anchorage and see these babies and how tiny and sweet and precious they are. They deserve a chance at life too.

I am asking you to support HB65 and ban partial birth abortions. I know in my heart that if you could only see these babies you would not want them to go through an abortion of any type. They are just so sweet.

Ann Cray
1103 JOHN KALINAS
FIBAS. AK 99712
907-488-6821

3-6-97

PLEASE ENTER INTO THE RECORD MY TESTIMONY TO THE HOUSE JUDICIARY
COMMITTEE ON HB65 DATED March 7, 1997:

My name is Ruth Ewig and I am a mother and an advocate of the Right to Life at all ages including the pre-born babies and the elderly. I completely without any hesitation support HB65, a bill banning the hideous partial birth abortions.

There is something wrong with this picture. We hear on the news of the public outcry to protect laboratory rats, yet the killing of baby humans is not worthy of defense or media coverage. Right now animal rights groups are breaking Alaskan law to protect wolves. This is front page news. What about the baby humans? This month's LIFE magazine features animals that are endangered. What about the endangerment of the value of HUMAN life? Today there was coverage in the newspaper of dogs dying while on the Yukon Quest. Just consider the public outcry if the owner of a Yukon Quest dog decided to jab scissors into the dogs head, and suck out its brains in order to kill it.

Recently in our local newspaper (February 28, 1997) an article reported that an alleged murderer could be found guilty of a double murder because he had killed a woman who was pregnant. If this is the case then what about abortion also being murder?

I am ashamed and embarrassed that the Alaskan Medical Association is opposing the right to life. The newsletter advises members, our medical experts, to oppose HB65 "because [it] interferes with the physician/patient relationship and [will] criminalize activities...engaged by physicians." A physician treating a pregnant woman has TWO patients. Doctors who execute their patients, morally are criminals. Physicians are supposed to save lives and should have led the charge to stop the killing.

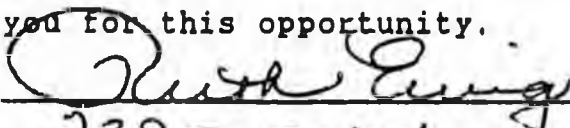
Research has proven that these babies in the womb can hear their mother's voice, and other familiar voices. They can feel pain and do feel pain when they are aborted. When the procedure is done you may not hear the screams because their heads are still inside the vagina but the physician and nurses can see the baby struggling as their arms and legs wave around.

It doesn't take a medical degree to realize that human life is being destroyed. The AMA should be advising physicians to refuse to participate in this American holocaust. Since abortion was legalized in 1972, 32,000,000 babies have been killed. In dollar bills we would consider that quite a bit of money.

I would like to express my appreciation to the legislators down there who have the courage to help put our state in a position to lead the nation back to understanding right from wrong. We need gatekeepers like you to help us get off this slippery slope.

Thank you for this opportunity.

SIGNED



2325-30th Avenue, Fairbanks, AK 99701



ALASKA STATE LEGISLATURE

PLEASE ENTER INTO THE RECORD MY TESTIMONY TO THE Judiciary
COMMITTEE NAME

COMMITTEE ON HB 65 DATED 3/7/97
BILL/SUBJECT

All abortions are morally and ethically wrong. The partial-firth abortion procedure, however, is a particularly egregious type of abortion not only because it kills a viable unborn baby but because it is potentially very dangerous for the mother.

Consider the dangers inherent in p.b. abortion. A woman's cervix is forcibly dilated over several days, which risks creating an incompetent cervix, the leading cause of premature deliveries. It is also an invitation to infection, a major cause of infertility. A p.b. abortion is essentially a breach birth, something physicians avoid whenever possible. But in the case it is done intentionally at great risk to the mother's uterus. The abortifacient then forces tissues through the baby's skull which remains lodged just within the

SIGNED Peggy Seelye
TESTIFIER

Interior Right to Life
REPRESENTING (OPTIONAL)

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ADDRESS/PHONE NUMBER

479-5902

but crust - again risking injury to the uterus and laceration of the cervix or lower uterine segment. This could result in immediate and massive bleeding and the threat of shock or even death to the mother.

None of this risk is ever necessary for any reason, as many ob/gyn's have verified. If vaginal delivery is not possible, a doctor performs a Caesarian section. But in no case is it necessary to partially deliver an infant through the vagina, and then kill the infant.

Former Surgeon General C. Everett Koop, has testified that the p-b procedure is never medically necessary for either the mother & certainly not the baby. Women who thought they underwent p-b abortions for "medically necessary" reasons have been tragically misled. Ron Fitzsimmons, spec. director of the Nat'l Coalition of Abortion Providers, told the N.Y. Times that he lied on ABC's Nightline last week that p-b abortions are rare.

I am very disappointed that the Alaska State Medical Comm. is opposing HB 65. According to the Jan/Feb 1997 "Heartbeat," the Committee stated it is improper to legislate medical treatment which should be left to good science & appropriate medical care." No abortion, but especially the p-b abortion is "good science" or "appropriate medical care." In fact, it is perverted & dangerous science & medical malfeasance.

My name is Anna Scheller and I am a resident of Fairbanks. Thank you for taking the time to read my testimony in support of HB 65, the Ban on Partial Birth Abortion. I urge the legislature to vote in favor of the ban. I believe this issue transcends party lines and even the abortion debate. That a doctor may deliver a baby's body outside the mother, cut a hole in the base of the infant's skull, then vacuum the child's brain out is inhumane and gruesome. If such a procedure were applied to the offspring of animals, the outcry would be great, yet it is done to children who could survive birth. We are a country that fights child abuse, will not buy products if they have been tested on animals, but we will pull a child from its mother's womb and kill it before it can take a breath. If we will prosper as a state, as a country, we must begin fulfilling our responsibility to protect those who cannot speak out for themselves. Those who believe abortion should not be restricted under any circumstance are blind to the truth of the procedure. I believe to support the HB 65 is the only reasonable course of action for people who seek to protect the quality of life for all people. The reason I must submit this written testimony instead of speaking at a mike is because I have 5 young children who would have to sit with me during the teleconference. My husband and I were concerned that medical testimony in favor of HB 65 would be emotionally terrifying to them.

To those who sponsored this bill, you are courageous. May you continue to fight on behalf of those who cannot defend themselves

Filed 2-20-97

Thank you!
Pete Kott
for sponsoring
this!

ALASKA STATE LEGISLATURE

Please enter into the record my testimony to the House State Affairs committee on HB65 "An Act relating to partial-birth abortions." A listen-only teleconference was held on 2-20-97.

My name is Ruth Ewig and I reside at 2325-30th Avenue. I am in complete support of HB65 and there were at least 600 of us up here in the Tanana Valley, one year and a half ago, and probably more at this time.

Thank you for caring enough about human life to have written this bill which bans partial-birth abortions. I am hopeful that bills such as this which are traveling through the legislative process represent the cutting edge of a swing in the state and hopefully the nation toward morality, thus reversing the "decay of a nation."

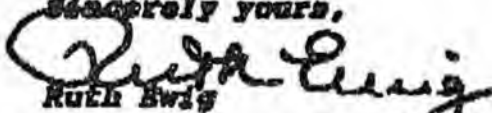
Representative James, thank you for your courageous stand in preventing supporters of these deaths of pre-born babies from badgering our witnesses. Those who continue to insist that it is the woman's choice need to be required to state just what choice we are talking about. It would be too embarrassing to verbalize protecting the medical procedure of killing the baby after most of it has been delivered.

Thank you to legislators who have the discernment and foresight to get us off this "slippery slope" to destruction that we are on with our different killing procedures such as partial birth abortions. Partial birth abortion represents destruction of the helpless and the weak.

I support this bill also because of the attitudes that develop in the hearts and souls of physicians who repeatedly destroy human life. Surely, they become quite insensitive to what they are doing after repeatedly killing babies. Each step makes the next step a little easier and we are already moving into euthanasia, "medically assisted suicides" and the next phase, attacks on the elderly.

Vote YES to ban partial birth abortions. It is long overdue. Please contact me if there is more that I can do to help.

Sincerely yours,


Ruth Ewig

2/20/97
452-5338 phone/fax

2125 Second Avenue
Ketchikan, Alaska 99901
March 31, 1997

RECEIVED
APR 1 1997
ANS 0.....

Senator Mike Miller
Alaska State Legislature
Juneau

Dear Senator Miller.

As a retired Women's Health Care Nurse Practitioner may I suggest that sensitive issues such as pregnancy termination be left to professionals and not politicians. In none of my textbooks have I ever seen the words partial birth abortion. This is a term instigated by anti-choice people. Such terms and pencils with erasures in the form of a fetus which are being distributed to school children are all part of the anti-choice agenda.

The Republican controlled legislature should pause to consider that Finland has the lowest teen pregnancy rate in the world where all women have access to family planning and where abortion is legal.

I have been a school nurse and my experience has been that sexuality is a taboo subject to some parents. The legislature should be considering increasing funds for contraception state wide to include sex education in schools and mandating private health insurance coverage to cover contraception supplies. Eventually it will reduce the welfare roles which (welfare) is so opposed by the Republicans state and nationally.

May I suggest you introduce legislation requiring all Alaska males who do not pay child support be required to have a vasectomy. After all if the legislature in its wisdom knows what's best for Alaska women surely they would want to consider this cost saving measure which is part of the Republican agenda.

Sincerely,



Elinore J Jacobsen, A.N.P. R.N.C.
Retired

cc: Senator Green, Ward, Mackie, Duncan

HB65

AUL STATELINE

A Resource for
Pro-Life Legislators
from Americans
United for Life

RECEIVED

MAR 20 1997

Ans'd.....

WINTER 1997

In the January 1997 issue of the *New England Journal of Medicine (NEJM)*, Melbye et al. published a study, "Induced abortion and the risk of breast cancer". Incredibly, Melbye concludes that induced abortions have no overall effect on the risk of breast cancer. Joel Brind, Ph.D., lead author of a comprehensive review of the world-wide literature on the abortion-breast cancer (ABC) link -- published in the *Journal of Epidemiology and Community Health* (October 1996) -- deconstructed the Melbye study and responded:

Ten studies out of 11 on American women have shown increased ABC risk. This fact alone belies Melbye's claim that the issue is settled. The Melbye study uses inappropriate statistical methodology, and literally factors out any effect of the very factor it purports to be examining, thus guaranteeing a null result which is completely invalid. I am convinced that a proper analysis of the data from Denmark will, in fact, reveal a substantial, significantly elevated risk for breast cancer among Danish women who have had any induced abortions. A letter to this effect has already been accepted for publication in the *NEJM*.

The Perspective on the Danish Study (10 pages and 2 pictorial graphs) is available from AUL for a \$5.00 contribution for handling and mailing. The updated ABC Act Legislation Guide is available for \$7.50.

- The South Dakota legislature passed HB 1087, which provides for notification of both parents of girls under 18 considering an abortion. It also includes a judicial bypass that promotes confidentiality and expeditious hearings. The bill now goes to Gov. Janklow for his consideration. This bill would replace a 1993 parental-notification law without a judicial bypass that was overturned by a U.S. district judge.
- The Virginia legislature passed SB 1148, which provides that one parent must be notified at least 24 hours before a young woman's abortion. It has a judicial bypass and a medical emergency exception. Gov. Allen has indicated that he will sign this bill on March 22.
- The Virginia legislature also passed SB 495, which classifies the aggravated malicious wounding of a pregnant woman as a felony. The involuntary termination of her pregnancy is classified as such an injury. The bill now goes to Gov. Allen for his consideration.
- At least 25 states have introduced legislation to ban the partial-birth abortion procedure, including:
 - South Dakota — the first state to enact a ban.
 - Mississippi — also enacted the ban.
 - South Carolina — approved by the legislature. The bill now goes to Gov. Beasley for his consideration.
 - Arkansas, Montana, Oklahoma, and Virginia — passed by the House.
 - Illinois and New York — passed by the Senate.
- The Virginia House passed HB 1629, a woman's right to know bill, that provides for the same informed consent as required in other surgical procedures. The bill was killed in a Senate committee.



343 S. Dearborn Street
Suite 1804
Chicago, IL 60604
312.786-9494
312.786-2131, fax

- In Kansas, the House approved HB 2269, a woman's right to know bill, 86-38. The bill requires that an abortionist "orally and in person" and at least eight hours in advance, give full information to a woman considering an abortion. The information required includes the abortionist's name, description of the abortion method, description of the risks, and information on the unborn child. HB 2269 and a companion bill, SB 230, are scheduled for a hearing in the Senate Federal and State Affairs committee in March.
- The South Dakota legislature passed SB 196, which adds civil penalties to the criminal statutes against assisted suicide. The bill now goes to Gov. Janklow for his consideration.
- The Virginia legislature passed SB 788, a bill that would penalize health-care professionals who assist in suicides. Physicians could be fined up to \$100,000 and lose their medical licenses permanently. The bill has a one-year re-enactment clause.
- On January 8, the U.S. Supreme Court heard arguments on the issue of physician-assisted suicide. Appeals courts had earlier struck down state laws in New York and Washington that prohibit physician-assisted suicide. *Washington State v. Glucksberg* and *Vacco v. Quill*.
- The U.S. District Court for the Southern District of Iowa issued a preliminary injunction on January 22 prohibiting enforcement of the state's parental-notification law. The law was passed in March 1996 and required that one parent of a woman under age 18 must be notified at least 48 hours before an abortion is performed. The court found that the judicial bypass spelled out in the statute failed to sufficiently protect a young woman's confidentiality or guarantee an expeditious procedure. *Planned Parenthood of Greater Iowa v. Miller*.
- On remand, the U.S. Court of Appeals for the 10th Circuit struck down a Utah ban on all post-20-week abortions on the grounds that it unconstitutionally interfered with pre-viability abortions. The court also implied that the health exception was too narrow. *Jane L. v. Bangerter*.
- For the second time, the U.S. Court for the Western District of North Carolina refused to block the enforcement of the state's parental-consent statute. The statute requires the consent of one custodial parent or grandparent or a judicial bypass before the minor can obtain an abortion. *Manning v. Hunt*.
- The Nebraska Supreme Court filed an opinion upholding a section of the state's 1991 abortion law, which requires minors to obtain the consent of at least one parent or provide sufficient evidence to a district judge that they are mature enough to make the abortion decision on their own.

Americans United for Life announced on January 31 that it has appointed Nikolas T. Nikas as its new general counsel.

Mr. Nikas has worked for two of the largest law firms in Arizona, where he specialized in civil litigation as lead counsel. He argued a landmark case before the Supreme Judicial Court of Massachusetts, and has testified before the U.S. Congress on pending federal legislation.

Mr. Nikas has established an AUL office in Arizona at: 6811 E. Voltaire Ave, Scottsdale, AZ 85254; phone (602) 443-1455 and fax (602) 483-3658. AUL will maintain its national office in Chicago.

AUL Stateline contact: Nancy Smyt^l, legislative program coordinator, (312) 786-9494.

March 1997

LEGISLATIVE REFERENCE LIBRARY

LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

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FAX (907) 465-2029
Mail Stop 3101

130 Seward Street, Suite 400
Juneau, Alaska 99801-2105

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

Mary Pagenkopf

House Judiciary Hearing Committee, 3/7/97, 1:08 p.m.

11 11 11, 3/10/97, 1:20 p.m.

HB

86

Alaska State House of Representatives
House District 39

Session

Alaska State Capitol
Juneau, Alaska 99801-1182
Phone: (907) 465-4942
1-800-323-4942
Fax: (907) 465-4589
www.akrepublicans.org/Ivan.htm



Interim

P.O. Box 137
Akiak, Alaska 99552
Phone: (907) 765-7526

Representative Ivan M. Ivan

MEMORANDUM

TO: Senator Lyda Green, Chair
Senate State Affairs Committee

FROM: Representative Ivan M. Ivan *IMI*

DATE: March 26, 1997

RE: Scheduling of House Bill 86

Please consider this request to schedule House Bill 86: Payments in Lieu of Taxes before the Senate State Affairs Committee at your earliest possible convenience.

House Bill 86 establishes the payment in lieu of taxes program within the Department of Community and Regional Affairs for home rule and general law cities located in the unorganized borough within federally designated areas of Alaska.

The payment in lieu of taxes program or PILT is financed by funds the state receives annually from the federal government under 31 U.S.C. 6901 - 31 U.S.C. 6902. An amendment to the Omnibus Parks and Public Lands Management Act of 1996 (P.L. 104-333, sec. 1033) was sponsored by Senator Stevens to allow cities in the unorganized borough to receive payment. Organized boroughs already receive this payment through a program established many years ago by Congress.

The main purpose of this bill is to provide a method for the Department of Community and Regional Affairs to distribute the annual funding and to establish criteria to determine whether a city is eligible to receive payment under the program as intended by federal law.

I appreciate your consideration of my request. Please do not hesitate to contact me if I can answer any questions or provide further information.

IMI/tw

Alaska State House of Representatives House District 39

Session
Alaska State Capital
Juneau, Alaska 99801-1182
Phone: (907) 465-4942



Interim
P.O. Box 137
Akiak, Alaska 99552
Phone: (907) 765-7526

Representative Ivan M. Ivan

SPONSOR STATEMENT - HOUSE BILL 86

House Bill 86 establishes the payment in lieu of taxes program within the Department of Community and Regional Affairs for home rule and general law cities located in the unorganized borough within federally designated areas of Alaska.

The payment in lieu of taxes program or PILT is financed by funds the state receives annually from the federal government under 31 U.S.C. 6901 - 31 U.S.C. 6902. An amendment, sponsored by Senator Stevens, was passed as part of the Omnibus Parks and Public Lands Management Act of 1996 (P.L. 104-333, sec. 1033) to allow cities in the unorganized borough to receive payment.

The main purpose of this bill is to provide a method for the Department of Community and Regional Affairs to distribute the annual funding and to establish criteria to determine whether a city is eligible to receive payment under the program as intended by federal law. The amount of money to be distributed to each eligible home rule and general law city in the unorganized borough will be based upon the population of the city as certified by the commissioner of the department for the fiscal year preceding the year in which payment is made to the city. This bill establishes an annual payment date of November 1 of the state fiscal year. The money received by the cities from this program may be used for any general purpose for which a city is authorized under federal, state or local law. Finally, the bill is given an immediate effective date in order to meet the first year's application and payment schedule set out in the bill.

Alaska State House of Representatives
House District 39

Session
Alaska State Capital
Juneau, Alaska 99801-1182
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Representative Ivan M. Ivan

SECTIONAL ANALYSIS - HOUSE BILL 86

Section 1: Amends AS 29.10.200, Limitation of Home Rule Powers, by adding a new paragraph which adds payment in lieu of taxes as an exception to prohibitions for which home rule municipalities may take action.

Section 2: Adds new sections to AS 29.60, State Programs. Under Article 9, Sec. 29.60.700 establishes the payments in lieu of taxes program in the Department of Community and Regional Affairs. The department will annually distribute payments received from the federal government for federal designated areas in the unorganized borough to eligible home rule and general law cities within the unorganized borough. Sec. 29.60.710 states that payments received by the state for a federally designated area in the unorganized borough will be distributed by the department to each eligible home rule and general law city located in that area based on population. Distributions will be made on November 1 of the state fiscal year. Funds may be used by a city for any purpose authorized by federal law for which the city has the power to expend funds. Sec. 29.60.720 outlines eligibility criteria for cities in the unorganized borough in order that they may receive funds under the program. Sec. 29.60.750 defines unorganized borough. This definition is in current statute under AS 29.03.010 which states that "areas of the state that are not within the boundaries of an unorganized borough constitute a single unorganized borough."

Section 3: Establishes an immediate effective date.

STATE OF ALASKA

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

TONY KNOWLES, GOVERNOR

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January 28, 1997

The Honorable Ivan Ivan
Representative
Alaska House of Representatives
State Capitol
Juneau, AK 99801-1182

RE: HB 86

The legislation you have sponsored, House Bill 86, relating to Payment in Lieu of Taxes (PILT) for Cities in the Unorganized Borough represents the final step in Senator Stevens' lengthy endeavor to expand this federal program to all cities located within the unorganized borough of Alaska. During this past year, DCRA staff worked with Senator Stevens' staff in drafting the amendments to the federal PILT program which were signed into law by President Clinton as part of the Omnibus Parks and Public Lands Management Act of 1996.

Based upon discussions between DCRA staff and Senator Stevens' staff during the drafting process, it was clear that Senator Stevens intended PILT funds to be considered "pass through" by the State of Alaska. Senator Stevens' legislation provides that the State of Alaska will receive payment for each participating federal census area based upon the amount of eligible federal lands and population located within each census area. In turn, the State of Alaska will then pass through these funds to the cities located within each census area based upon a straightforward per-capita funding formula. In fact, it was discussed at one point of putting the State-to-cities funding mechanism (the per-capita formula) into the federal amendments to insure that the State of Alaska did not somehow tamper with these funds.

In testimony in support of his legislation, Senator Stevens stated:

Only 40 percent of the Federal lands in Alaska are located in organized boroughs. Over half of the Federal lands in Alaska, 60 percent are not currently considered in determining PILT payments to Alaska. Therefore, hundreds of poor rural Alaskan communities which are surrounded by Federal lands, but which are outside of organized boroughs, receive no PILT payments. Most of these villages lack adequate sewer and water systems and do not have health facilities within 200 or 300 miles.

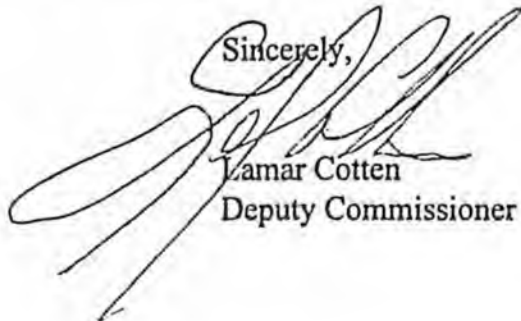
The Honorable Ivan Ivan
Representative
January 28, 1997

This bill will resolve a great injustice. The villages in Alaska that are surrounded by tax-exempt Federal lands should be compensated for loss of property tax revenues and for the inability to use the lands for any development. The increase in Alaskan PILT payments will directly benefit villages which are in desperate need of resources to sustain basic necessities for their remote existence.

The new amended federal legislation provides that "The State of Alaska shall distribute such payment to home rule cities and general law cities (as such cities are defined by the State) located within the boundaries of the unit of general local government for which the payment was received. Such cities may use monies received under this paragraph for any governmental purpose."

It is our determination that HB 86 accomplishes Senator Stevens' intent that the PILT payments be passed through the State to directly benefit the cities.

Sincerely,

A handwritten signature in black ink, appearing to read 'Lamar Cotten', is written over the typed name and title. The signature is fluid and cursive, with a large initial 'L'.

Lamar Cotten
Deputy Commissioner

MEMORANDUM

STATE OF ALASKA Community and Regional Affairs


To: The Honorable Ivan Ivan
Representative
Alaska House of Representatives

Date: January 30, 1997

File

Thru:

Phone: 465-4733

From: Bill Rolfzen 
Program Administrator
Municipal and Regional Assistance
Division

Subject: PILT

As requested, following is a list of the organized boroughs (including unified home rule municipalities) in Alaska, their respective 1996 federal PILT payments and mill rates. Of the 16 boroughs that receive an annual PILT payment from the federal government, 4 levy no property taxes. You also requested a list of the cities in the unorganized borough that levy property taxes. We have attached a spreadsheet which shows the various taxes and tax rates levied by all Alaska communities.

As we discussed, the amount of money the State of Alaska will receive for distribution to the cities within each federal census area comprising the unorganized borough is not known. We were told by the BLM in Washington D.C. that it most likely will be mid-summer before those payments are calculated. In order to calculate the payments, the BLM must first determine several factors including the amount of eligible federal lands within each census area. Also, for the first time, several cities within the unorganized borough received a direct federal PILT payment from BLM. Those payments were made based upon an opinion from the Regional Solicitor's Office of the Department of the Interior. It is uncertain at this time under what formula those cities will receive future PILT payments given Senator Stevens' recent amendments to the federal PILT law.

The Honorable Ivan Ivan
January 30, 1997
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Borough	PILT Payment	Mill Rate
Aleutians East Borough	\$141,082	None
Municipality of Anchorage	\$301,342	18.79
Bristol Bay Borough	\$65,984	8.50
Denali Borough	\$94,953	None
Fairbanks North Star Borough	\$264,564	13.49
Haines Borough	\$110,012	4.00
City & Borough of Juneau	\$225,386	12.49
Kenai Peninsula Borough	\$982,280	8.30
Ketchikan Gateway Borough	\$193,727	7.94
Kodiak Island Borough	\$456,929	6.75
Lake & Peninsula Borough	\$91,202	None
Matanuska-Susitna Borough	\$1,011,933	13.00
North Slope Borough	\$324,916	18.52
Northwest Arctic Borough	\$297,769	None
City & Borough of Sitka	\$197,745	6.00
City & Borough of Yakutat	\$29,590	9.00

1997 Taxes in Alaska Communities

Community/Borough	1996 Pop.	Incorporation Type	Borough Location	State Tax	Special Taxes	Property Tax
Cantwell	135	Unincorporated	Denali Borough	N/A	7% Accomodations Tax (Borough); Severance Tax \$.05/Yard (Borough)	None
Central	51	Unincorporated	Unorganized	N/A	N/A	N/A
Chalkyitsik	92	Unincorporated	Unorganized	N/A	N/A	N/A
Chase	52	Unincorporated	Matanuska-Susitna Borough	N/A	5% Accomodations Tax (Borough)	13.0 mills (Borough)
Cheformak	393	2nd Class City	Unorganized	2%	None	None
Chenega Bay	95	Unincorporated	Unorganized	N/A	N/A	N/A
Chevak	708	2nd Class City	Unorganized	3%	None	None
Chickaloon	217	Unincorporated	Matanuska-Susitna Borough	N/A	5% Accomodations Tax (Borough)	13.0 mills (Borough)
Chignik	128	2nd Class City	Lake & Peninsula Borough	None	1% Salmon/2% Other Seafood Landing Tax (City); 2% Raw Fish Tax (Borough)	None
Chignik Lagoon	80	Unincorporated	Lake & Peninsula Borough	N/A	2% Raw Fish Tax (Borough)	None
Chignik Lake	152	Unincorporated	Lake & Peninsula Borough	N/A	2% Raw Fish Tax (Borough)	None
Chiniak	75	Unincorporated	Kodiak Island Borough	N/A	5% Accomodations Tax (Borough); 0.675% Severance Tax (Borough)	6.75 mills (Borough)
Chistochina	58	Unincorporated	Unorganized	N/A	N/A	N/A
Chitina	82	Unincorporated	Unorganized	N/A	N/A	N/A
Chualhbaluk	123	2nd Class City	Unorganized	None	None	None
Circle	85	Unincorporated	Unorganized	N/A	N/A	N/A
Circle Hot Springs	29	Unincorporated	Unorganized	N/A	N/A	N/A
Clam Gulch	93	Unincorporated	Kenai Peninsula Borough	2% (Borough)	None	8.3 mills (Borough)
Clark's Point	66	2nd Class City	Unorganized	5%	None	None
Coffman Cove	241	2nd Class City	Unorganized	None	None	None
Cohoe	579	Unincorporated	Kenai Peninsula Borough	2% (Borough)	None	8.3 mills (Borough)
Cold Bay	146	2nd Class City	Aleutians East Borough	None	\$.01/Gal. (City); 2% Raw Fish Tax (Borough)	None
College	11,971	Unincorporated	Fairbanks North Star Borough	N/A	8% Accomodations Tax (Borough)	15.174 mills (Borough)
Cooper Landing	272	Unincorporated	Kenai Peninsula Borough	2% (Borough)	None	8.3 mills (Borough)
Copper Center	538	Unincorporated	Unorganized	N/A	N/A	N/A
Copperville	187	Unincorporated	Unorganized	N/A	N/A	N/A
Cordova	2,537	Home Rule City	Unorganized	6%	None	13.25 mills
Council	0	Unincorporated	Unorganized	N/A	N/A	N/A
Covenant Life	54	Unincorporated	Haines Borough	1.5% (Borough)	None	4.0 mills (Borough)
Craig	2,109	1st Class City	Unorganized	5%	5% Liquor Tax	5.0 mills
Crooked Creek	136	Unincorporated	Unorganized	N/A	N/A	N/A
Crown Point	92	Unincorporated	Kenai Peninsula Borough	2% (Borough)	None	8.3 mills (Borough)
Cube Cove	178	Unincorporated	Unorganized	N/A	N/A	N/A
Deadhorse	24	Unincorporated	North Slope Borough	N/A	None	18.52 mills (Borough)
Deering	141	2nd Class City	Northwest Arctic Borough	3%	None	None
Delta Junction	849	2nd Class City	Unorganized	None	None	None
Denali Borough	1,835	Home Rule Borough	Denali Borough	None	7% Accomodations Tax; Severance Tax \$.05/Yard	None
Dillingham	2,226	1st Class City	Unorganized	5%	9% Liquor Tax; 5% Gaming Tax; 9% Accomodations Tax	8.0 mills

1997 Taxes in Alaska Communities

Community/Borough	1998 Pop.	Incorporation Type	Borough/Location	Sales Tax	Special Taxes	Property Tax
Diomedes	172	2nd Class City	Unorganized	3%	None	None
Dot Lake	74	Unincorporated	Unorganized	N/A	N/A	N/A
Dry Creek	112	Unincorporated	Unorganized	N/A	N/A	N/A
Eagle	160	2nd Class City	Unorganized	None	None	1.0 mill
Eagle Village	33	Unincorporated	Unorganized	N/A	N/A	N/A
Edna Bay	75	Unincorporated	Unorganized	N/A	N/A	N/A
Eek	285	2nd Class City	Unorganized	2%	None	None
Egegik	139	2nd Class City	Lake & Peninsula Borough	None	1% Raw Fish Tax (City); 2% Raw Fish Tax (Borough)	None
Eielson AFB	5,620	Unincorporated	Fairbanks North Star Borough	N/A	8% Accomodations Tax (Borough)	15.174 mills (Borough)
Eklutna	429	Unincorporated	Municipality of Anchorage	N/A	8% Accomodations Tax; Tobacco Products (Anchorage)	18.79 mills (Anchorage)
Ekuk	3	Unincorporated	Unorganized	N/A	N/A	N/A
Ekwok	118	2nd Class City	Unorganized	None	None	None
Elfin Cove	50	Unincorporated	Unorganized	N/A	N/A	N/A
Elim	284	2nd Class City	Unorganized	2%	None	None
Emmonak	784	2nd Class City	Unorganized	3%	None	None
Ester	218	Unincorporated	Fairbanks North Star Borough	N/A	8% Accomodations Tax (Borough)	15.174 mills (Borough)
Evansville	24	Unincorporated	Unorganized	N/A	N/A	N/A
Eyak	173	Unincorporated	Unorganized	N/A	None	13.25 mills
Fairbanks	31,633	Home Rule City	Fairbanks North Star Borough	None	8% Accomodations; 5% Liquor; 8% Tobacco Tax	3.285 mills (City); 15.174 mills (Borough)
Fairbanks North Star Borough	82,435	2nd Class Borough	Fairbanks North Star Borough	None	8% Accomodations Tax	13.495 mills
False Pass	79	2nd Class City	Aleutians East Borough	2%	2% Raw Fish Tax (City); 2% Raw Fish Tax (Borough)	None
Ferry	66	Unincorporated	Denali Borough	N/A	7% Accomodations Tax (Borough); Severance Tax \$.05/Yard (Borough)	None
Fort Greely	713	Unincorporated	Unorganized	N/A	N/A	N/A
Fort Yukon	562	2nd Class City	Unorganized	3%	None	None
Fox	309	Unincorporated	Fairbanks North Star Borough	N/A	8% Accomodations Tax (Borough)	15.174 mills (Borough)
Fox River	422	Unincorporated	Kenai Peninsula Borough	2% (Borough)	None	8.3 mills (Borough)
Fritz Creek	1,882	Unincorporated	Kenai Peninsula Borough	2% (Borough)	None	8.3 mills (Borough)
Gakona	23	Unincorporated	Unorganized	N/A	N/A	N/A
Galena	529	1st Class City	Unorganized	3%	None	None
Gambell	636	2nd Class City	Unorganized	3%	None	None
Game Creek	74	Unincorporated	Unorganized	N/A	N/A	N/A
Georgetown	0	Unincorporated	Unorganized	N/A	N/A	N/A
Glennallen	491	Unincorporated	Unorganized	N/A	N/A	N/A
Golovin	163	2nd Class City	Unorganized	None	None	None
Goodnews Bay	253	2nd Class City	Unorganized	None	None	None
Grayling	203	2nd Class City	Unorganized	None	None	None
Gulkana	100	Unincorporated	Unorganized	N/A	N/A	N/A
Gustavus	345	Unincorporated	Unorganized	N/A	N/A	N/A
Haines	1,400	1st Class City	Haines Borough	4% (City); 1.5% (Borough)	None	(Borough)

1997 Taxes In Alaska Communities

Community/Borough	1999 Pop.	Incorporation Type	Borough Location	Sales Tax	Special Taxes	Property Tax
Haines Borough	2,373	3rd Class Borough	Haines Borough	1.5%	None	4.0 mills
Halibut Cove	71	Unincorporated	Kenai Peninsula Borough	2% (Borough)	None	8.3 mills (Borough)
Happy Valley	388	Unincorporated	Kenai Peninsula Borough	2% (Borough)	None	8.3 mills (Borough)
Harding Lake	29	Unincorporated	Fairbanks North Star Borough	N/A	8% Accomodations Tax (Borough)	15.174 mills (Borough)
Healy	578	Unincorporated	Denali Borough	N/A	7% Accomodations Tax (Borough); Severance Tax \$.05/Yard (Borough)	None
Healy Lake	59	Unincorporated	Unorganized	N/A	N/A	N/A
Hobart Bay	131	Unincorporated	Unorganized	N/A	N/A	N/A
Hollis	169	Unincorporated	Unorganized	N/A	N/A	N/A
Holy Cross	261	2nd Class City	Unorganized	None	None	None
Homer	4,064	1st Class City	Kenai Peninsula Borough	3.5% (City); 2% (Borough)	None	(Borough)
Hoonah	900	1st Class City	Unorganized	5%	None	None
Hooper Bay	996	2nd Class City	Unorganized	2%	None	None
Hope	160	Unincorporated	Kenai Peninsula Borough	2% (Borough)	None	8.3 mills (Borough)
Houston	976	2nd Class City	Matanuska-Susitna Borough	None	5% Accomodations Tax (Borough)	(Borough)
Hughes	55	2nd Class City	Unorganized	None	None	None
Huslia	240	2nd Class City	Unorganized	None	None	None
Hydaburg	410	1st Class City	Unorganized	4%	None	None
Hyder	133	Unincorporated	Unorganized	N/A	N/A	N/A
Iglugig	48	Unincorporated	Lake & Peninsula Borough	N/A	2% Raw Fish Tax (Borough)	None
Iliamna	103	Unincorporated	Lake & Peninsula Borough	N/A	2% Raw Fish Tax (Borough)	None
Ivanof Bay	28	Unincorporated	Lake & Peninsula Borough	N/A	2% Raw Fish Tax (Borough)	None
Jakolof Bay	28	Unincorporated	Kenai Peninsula Borough	2% (Borough)	None	8.3 mills (Borough)
Juneau	30,209	Unified Home Rule Municipality	City & Borough of Juneau	5%	7% Accomodations Tax; 3% Liquor Tax; 6% Tobacco Tax	12.49 mills
Kachemak	404	2nd Class City	Kenai Peninsula Borough	2% (Borough)	None	(Borough)
Kake	712	1st Class City	Unorganized	5%	None	None
Kaktovik	223	2nd Class City	North Slope Borough	None	None	18.52 mills (Borough)
Kalifornsky	325	Unincorporated	Kenai Peninsula Borough	2% (Borough)	None	8.3 mills (Borough)
Kallag	232	2nd Class City	Unorganized	None	None	None
Karluk	57	Unincorporated	Kodiak Island Borough	N/A	5% Accomodations Tax (Borough); 0.675% Severance Tax (Borough)	6.75 mills (Borough)
Kasaan	41	2nd Class City	Unorganized	None	None	None
Kasigluk	512	Unincorporated	Unorganized	N/A	N/A	N/A
Kasilof	523	Unincorporated	Kenai Peninsula Borough	2% (Borough)	None	8.3 mills (Borough)
Kenai	6,950	Home Rule City	Kenai Peninsula Borough	3% (City); 2% (Borough)	None	(Borough)
Kenai Peninsula Borough	46,807	2nd Class Borough	Kenai Peninsula Borough	2%	None	8.3 mills
Kenny Lake	498	Unincorporated	Unorganized	N/A	N/A	N/A
Ketchikan	8,729	Home Rule City	Ketchikan Gateway Borough	3.5% (City); 2% (Borough)	6% Accomodations Tax	(Borough)
Ketchikan Gateway Borough	14,728	2nd Class Borough	Ketchikan Gateway Borough	2%	4% Accomodations Tax	7.94 mills
Kiana	394	2nd Class City	Northwest Arctic Borough	2%	None	None
King Cove	897	1st Class City	Aleutians East Borough	2%	2% Raw Fish Tax (City); 2% Raw Fish Tax (Borough)	None

1997 Taxes In Alaska Communities

Community/Borough	1996 Pop	Incorporation Type	Borough Location	Sales Tax	Special Taxes	Property Tax
King Salmon	467	Unincorporated	Bristol Bay Borough	N/A	3% Raw Fish Tax; 6% Accomodatlons Tax May-Oct. (Borough)	8.5 mills (Borough)
Kipnuk	551	Unincorporated	Unorganized	N/A	N/A	N/A
Kivalina	349	2nd Class City	Northwest Arctic Borough	2%	None	None
Klawock	726	1st Class City	Unorganized	5%	0.5% Pool Tax	None
Klukwan	140	Unincorporated	Unorganized	N/A	N/A	N/A
Knik	445	Unincorporated	Matanuska-Susitna Borough	N/A	5% Accomodatlons Tax (Borough)	13.0 mills (Borough)
Kobuk	78	2nd Class City	Northwest Arctic Borough	None	None	None
Kodiak	6,869	Home Rule City	Kodiak Island Borough	6% (max. \$500 per transaction)	5% Accomodatlons Tax (City); 0.675% Severance Tax (Borough)	2.0 mills (City); 6.75 mills (Borough)
Kodiak Island Borough	14,058	2nd Class Borough	Kodiak Island Borough	None	5% Accomodatlons Tax; 0.675% Severance Tax	6.75 mills
Kodiak Station	1,871	Unincorporated	Kodiak Island Borough	N/A	5% Accomodatlons Tax (Borough); 0.675% Severance Tax (Borough)	6.75 mills (Borough)
Kokhanok	166	Unincorporated	Lake & Peninsula Borough	N/A	2% Raw Fish Tax (Borough)	None
Koliganek	210	Unincorporated	Unorganized	N/A	N/A	N/A
Kongiganak	322	Unincorporated	Unorganized	N/A	N/A	N/A
Kotlik	517	2nd Class City	Unorganized	2%	None	None
Kotzebue	3,138	2nd Class City	Northwest Arctic Borough	6%	6% Accomodatlons Tax; 6% Liquor Tax	None
Koyuk	280	2nd Class City	Unorganized	2%	None	None
Koyukuk	131	2nd Class City	Unorganized	None	None	None
Kupreanof	23	2nd Class City	Unorganized	None	None	None
Kwethluk	627	2nd Class City	Unorganized	5%	None	None
Kwigillingok	332	Unincorporated	Unorganized	N/A	N/A	N/A
Labouchere Bay	0	Unincorporated	Unorganized	N/A	N/A	N/A
Lake & Peninsula Borough	1,852	Home Rule Borough	Lake & Peninsula Borough	None	2% Raw Fish Tax	None
Lake Minchumina	44	Unincorporated	Unorganized	N/A	N/A	N/A
Larsen Bay	127	2nd Class City	Kodiak Island Borough	3%	5% Accomodatlons Tax (Borough); 0.675% Severance Tax (Borough)	6.75 mills (Borough)
Lazy Mountain	976	Unincorporated	Matanuska-Susitna Borough	N/A	5% Accomodatlons Tax (Borough)	13.0 mills (Borough)
Levelock	111	Unincorporated	Lake & Peninsula Borough	N/A	2% Raw Fish Tax (Borough)	None
Lignite	117	Unincorporated	Denali Borough	N/A	7% Accomodatlons Tax (Borough); Severance Tax \$.05/Yard (Borough)	None
Lime Village	44	Unincorporated	Unorganized	N/A	N/A	N/A
Lower Kalskag	302	2nd Class City	Unorganized	None	None	None
Lutak	51	Unincorporated	Haines Borough	1.5% (Borough)	None	4.0 mills (Borough)
Manley Hot Springs	100	Unincorporated	Unorganized	N/A	N/A	N/A
Manokotak	396	2nd Class City	Unorganized	2%	None	None
Marshall	304	2nd Class City	Unorganized	None	None	None
Mary's Igloo	0	Unincorporated	Unorganized	N/A	N/A	N/A
Matanuska-Susitna Borough	50,759	2nd Class Borough	Matanuska-Susitna Borough	None	5% Accomodatlons Tax	13.0 mills
McCarthy	33	Unincorporated	Unorganized	N/A	N/A	N/A
McGrath	466	2nd Class City	Unorganized	None	None	None

1997 Taxes in Alaska Communities

Community/Borough	1996 Pop.	Incorporation Type	Borough/Location	Sales Tax	Special Taxes	Property Tax
McKinley Park	174	Unincorporated	Denali Borough	N/A	7% Accomodations Tax (Borough); Severance Tax \$.05/Yard (Borough)	None
Meadow Lakes	4,685	Unincorporated	Matanuska-Susitna Borough	N/A	5% Accomodations Tax (Borough)	13.0 mills (Borough)
Mekoryuk	200	2nd Class City	Unorganized	2%	None	None
Mendeltna	64	Unincorporated	Unorganized	N/A	N/A	N/A
Mentasta Lake	108	Unincorporated	Unorganized	N/A	N/A	N/A
Mettakalla	1,657	Federal Law	Unorganized	N/A	N/A	N/A
Meyers Chuck	37	Unincorporated	Unorganized	N/A	N/A	N/A
Minto	251	Unincorporated	Unorganized	N/A	N/A	N/A
Moose Creek	638	Unincorporated	Fairbanks North Star Borough	N/A	8% Accomodations Tax (Borough)	15.174 mills (Borough)
Moose Pass	120	Unincorporated	Kenai Peninsula Borough	2% (Borough)	None	8.3 mills (Borough)
Mosquito Lake	90	Unincorporated	Haines Borough	1.5% (Borough)	None	4.0 mills (Borough)
Mountain Village	724	2nd Class City	Unorganized	3%	None	None
Naknek	627	Unincorporated	Bristol Bay Borough	N/A	3% Raw Fish Tax; 6% Accomodations Tax May-Oct. (Borough)	8.5 mills (Borough)
Nanwalek	167	Unincorporated	Kenai Peninsula Borough	2% (Borough)	None	8.3 mills (Borough)
Napaimute	3	Unincorporated	Unorganized	N/A	N/A	N/A
Napakiaik	341	2nd Class City	Unorganized	2%	None	None
Napasklak	420	2nd Class City	Unorganized	None	None	None
Naukatli Bay	164	Unincorporated	Unorganized	N/A	N/A	N/A
Nelson Lagoon	79	Unincorporated	Aleutians East Borough	N/A	2% Raw Fish Tax (Borough)	None
Nenana	449	Home Rule City	Unorganized	3%	None	10.0 mills
New Stuyahok	442	2nd Class City	Unorganized	None	None	None
Newhalen	175	2nd Class City	Lake & Peninsula Borough	2%	2% Raw Fish Tax (Borough)	None
Newtok	273	Unincorporated	Unorganized	N/A	N/A	N/A
Nightmute	199	2nd Class City	Unorganized	2%	None	None
Nikiski	3,013	Unincorporated	Kenai Peninsula Borough	2% (Borough)	None	8.3 mills (Borough)
Nikolaevsk	555	Unincorporated	Kenai Peninsula Borough	2% (Borough)	None	8.3 mills (Borough)
Nikolai	109	2nd Class City	Unorganized	None	None	None
Nikolski	27	Unincorporated	Unorganized	N/A	N/A	N/A
Ninilchik	643	Unincorporated	Kenai Peninsula Borough	2% (Borough)	None	8.3 mills (Borough)
Noatak	413	Unincorporated	Northwest Arctic Borough	N/A	None	None
Nome	4,021	1st Class City	Unorganized	4%	4% Accomodations Tax	10.75 mills
Nondalton	237	2nd Class City	Lake & Peninsula Borough	3%	2% Raw Fish Tax (Borough)	None
Noorvik	575	2nd Class City	Northwest Arctic Borough	3%	None	None
North Pole	1,523	Home Rule City	Fairbanks North Star Borough	3%	8% Accomodations Tax (Borough)	1.757 mills (City); 15.174 mills (Borough)
North Slope Borough	9,203	Home Rule Borough	North Slope Borough	None	None	18.52 mills
Northway	125	Unincorporated	Unorganized	N/A	N/A	N/A
Northway Junction	114	Unincorporated	Unorganized	N/A	N/A	N/A
Northway Village	115	Unincorporated	Unorganized	N/A	N/A	N/A
Northwest Arctic Borough	6,868	Home Rule Borough	Northwest Arctic Borough	None	None	None
Nuiqsut	435	2nd Class City	North Slope Borough	3%	None	18.52 mills (Borough)
Nulato	349	2nd Class City	Unorganized	None	None	None

1997 Taxes in Alaska Communities

Community/Borough	1996 Pop.	Incorporation type	Borough/Location	Sales Tax	Special Taxes	Property Tax
Nunapitchuk	474	2nd Class City	Unorganized	2%	None	None
Old Harbor	316	2nd Class City	Kodiak Island Borough	3%	5% Accomodations Tax (Borough); 0.675% Severance Tax (Borough)	6.75 mills (Borough)
Oscarville	57	Unincorporated	Unorganized	N/A	N/A	N/A
Ouzinkie	259	2nd Class City	Kodiak Island Borough	3%	5% Accomodations Tax (Borough); 0.675% Severance Tax (Borough)	6.75 mills (Borough)
Palmer	4,282	Home Rule City	Matanuska-Susitna Borough	2%	5% Accomodations Tax (Borough)	2.25 mills (City); 13.0 mills (Borough)
Pauloff Harbor	0	Unincorporated	Aleutians East Borough	N/A	2% Raw Fish Tax (Borough)	None
Paxson	27	Unincorporated	Unorganized	N/A	N/A	N/A
Pedro Bay	45	Unincorporated	Lake & Peninsula Borough	N/A	2% Raw Fish Tax (Borough)	None
Pelican	196	1st Class City	Unorganized	4%	None	6.0 mills
Periyville	101	Unincorporated	Lake & Peninsula Borough	N/A	2% Raw Fish Tax (Borough)	None
Petersburg	3,356	Home Rule City	Unorganized	6%	3% Accomodations Tax	10.0 mills
Pilot Point	80	2nd Class City	Lake & Peninsula Borough	None	3% Raw Fish Tax (City); 2% Raw Fish Tax (Borough)	None
Pilot Station	536	2nd Class City	Unorganized	4%	None	None
Pitka's Point	153	Unincorporated	Unorganized	N/A	N/A	N/A
Platinum	39	2nd Class City	Unorganized	2%	None	None
Pleasant Valley	559	Unincorporated	Fairbanks North Star Borough	N/A	8% Accomodations Tax (Borough)	15.174 mills (Borough)
Point Baker	53	Unincorporated	Unorganized	N/A	N/A	N/A
Point Hope	764	2nd Class City	North Slope Borough	None	None	18.52 mills (Borough)
Point Lay	180	Unincorporated	North Slope Borough	N/A	None	18.52 mills (Borough)
Polk Inlet	90	Unincorporated	Unorganized	N/A	N/A	N/A
Port Alexander	102	2nd Class City	Unorganized	2%	None	None
Port Alice	2	Unincorporated	Unorganized	N/A	N/A	N/A
Port Alsworth	64	Unincorporated	Lake & Peninsula Borough	N/A	2% Raw Fish Tax (Borough)	None
Port Clarence	19	Unincorporated	Unorganized	N/A	N/A	N/A
Port Graham	176	Unincorporated	Kenai Peninsula Borough	2% (Borough)	None	8.3 mills (Borough)
Port Helden	147	2nd Class City	Lake & Peninsula Borough	None	2% Raw Fish Tax (Borough)	None
Port Lions	264	2nd Class City	Kodiak Island Borough	None	5% Accomodations Tax (Borough); 0.675% Severance Tax (Borough)	6.75 mills (Borough)
Port Protection	55	Unincorporated	Unorganized	N/A	N/A	N/A
Portage Creek	6	Unincorporated	Unorganized	N/A	N/A	N/A
Primrose	62	Unincorporated	Kenai Peninsula Borough	2% (Borough)	None	8.3 mills (Borough)
Prudhoe Bay	47	Unincorporated	North Slope Borough	N/A	None	18.52 mills (Borough)
Quinhagak	567	2nd Class City	Unorganized	3%	None	None
Rampart	65	Unincorporated	Unorganized	N/A	N/A	N/A
Red Devil	65	Unincorporated	Unorganized	N/A	N/A	N/A
Ridgeway	2,295	Unincorporated	Kenai Peninsula Borough	2% (Borough)	None	8.3 mills (Borough)
Rowan Bay	22	Unincorporated	Unorganized	N/A	N/A	N/A
Ruby	204	2nd Class City	Unorganized	None	None	None
Russlan Mission	284	2nd Class City	Unorganized	None	None	None

1997 Taxes in Alaska Communities

Community/Borough	1998 Pop.	Incorporation/Type	Borough/Location	Sales Tax	Special Taxes	Property Tax
Saint George	104	2nd Class City	Unorganized	None	3% Fish & Marine Products; \$.03/Gal. Fuel Transfer Tax	None
Saint Mary's	501	1st Class City	Unorganized	3%	None	None
Saint Michael	351	2nd Class City	Unorganized	4%	None	None
Saint Paul	739	2nd Class City	Unorganized	3%	None	None
Salamatof	1,011	Unincorporated	Kenai Peninsula Borough	2% (Borough)	None	8.3 mills (Borough)
Salcha	374	Unincorporated	Fairbanks North Star Borough	N/A	8% Accomodations Tax (Borough)	15.174 mills (Borough)
Sand Point	808	1st Class City	Aleutians East Borough	2%	2% Raw Fish Tax (City); 2% Raw Fish Tax (Borough)	None
Savoonga	615	2nd Class City	Unorganized	3%	None	None
Saxman	390	2nd Class City	Ketchikan Gateway Borough	3.5% (City); 2% (Borough)	4% Accomodallons Tax (Borough)	7.10 mills (Borough)
Scammon Bay	425	2nd Class City	Unorganized	2%	None	None
Selawik	665	2nd Class City	Northwest Arctic Borough	3%	None	None
Seldovia	289	1st Class City	Kenai Peninsula Borough	3% (City); 2% (Borough)	None	7.25 mills (City); 8.3 mills (Borough)
Seward	2,914	Home Rule City	Kenai Peninsula Borough	3% (City); 2% (Borough)	4% Accomodations Tax	3.0 mills (City); 8.3 mills (Borough)
Shageluk	139	2nd Class City	Unorganized	None	None	None
Shaktolik	231	2nd Class City	Unorganized	2%	None	None
Sheldon Point	170	2nd Class City	Unorganized	2%	None	None
Shemya Station	15	Unincorporated	Unorganized	N/A	N/A	N/A
Shishmaref	537	2nd Class City	Unorganized	2%	None	None
Shungnak	251	2nd Class City	Northwest Arctic Borough	2%	None	None
Sitka	8,632	Unified Home Rule Municipality	City & Borough of Sitka	4%	4% Accomodallons Tax; \$.02/Gal. Fuel Tax	6.0 mills
Skagway	767	1st Class City	Unorganized	4%	8% Accomodations Tax	8.0 mills
Skwentna	86	Unincorporated	Matanuska-Susitna Borough	N/A	5% Accomodallons Tax (Borough)	13.0 mills (Borough)
Slana	61	Unincorporated	Unorganized	N/A	N/A	N/A
Sleetmule	109	Unincorporated	Unorganized	N/A	N/A	N/A
Soldotna	3,968	1st Class City	Kenai Peninsula Borough	3% (City); 2% (Borough)	None	5.04 mills (City); 8.3 mills (Borough)
Solomon	0	Unincorporated	Unorganized	N/A	N/A	N/A
South Naknek	157	Unincorporated	Bristol Bay Borough	N/A	3% Raw Fish Tax; 6% Accomodallons Tax May-Oct. (Borough)	8.5 mills (Borough)
Stebbins	507	2nd Class City	Unorganized	3%	None	None
Sterling	5,378	Unincorporated	Kenai Peninsula Borough	2% (Borough)	None	3.3 mills (Borough)
Stevens Village	115	Unincorporated	Unorganized	N/A	N/A	N/A
Stony River	43	Unincorporated	Unorganized	N/A	N/A	N/A
Sutton	367	Unincorporated	Matanuska-Susitna Borough	N/A	5% Accomodallons Tax (Borough)	13.0 mills (Borough)
Takotna	46	Unincorporated	Unorganized	N/A	N/A	N/A
Talkeetna	342	Unincorporated	Matanuska-Susitna Borough	N/A	5% Accomodations Tax (Borough)	13.0 mills (Borough)
Tanacross	75	Unincorporated	Unorganized	N/A	N/A	N/A
Tanana	293	1st Class City	Unorganized	2%	None	None
Tatitlek	125	Unincorporated	Unorganized	N/A	N/A	N/A

1997 Taxes In Alaska Communities

Community/Borough	1990 Pop.	Incorporation Type	Borough/Location	State Tax	Special Taxes	Rate
Tazlina	283	Unincorporated	Unorganized	N/A	N/A	N/A
Telida	8	Unincorporated	Unorganized	N/A	N/A	N/A
Teller	278	2nd Class City	Unorganized	3%	None	None
Tenakee Springs	114	2nd Class City	Unorganized	1%	6% Accomodations Tax	None
Tetlin	82	Unincorporated	Unorganized	N/A	N/A	N/A
Thome Bay	645	2nd Class City	Unorganized	3%	None	None
Togiak	740	2nd Class City	Unorganized	2%	2% Raw Fish Tax	None
Tok	1,210	Unincorporated	Unorganized	N/A	N/A	N/A
Toksook Bay	488	2nd Class City	Unorganized	2%	None	None
Tonsina	45	Unincorporated	Unorganized	N/A	N/A	N/A
Trapper Creek	310	Unincorporated	Matanuska-Susitna Borough	N/A	5% Accomodations Tax (Borough)	13.0 mills (Borough)
Tuluksak	411	Unincorporated	Unorganized	N/A	N/A	N/A
Tuntutuliak	335	Unincorporated	Unorganized	N/A	N/A	N/A
Tununak	327	Unincorporated	Unorganized	N/A	N/A	N/A
Twin Hills	67	Unincorporated	Unorganized	N/A	N/A	N/A
Two Rivers	632	Unincorporated	Fairbanks North Star Borough	N/A	8% Accomodations Tax (Borough)	15.174 mills (Borough)
Tyonek	148	Unincorporated	Kenai Peninsula Borough	2% (Borough)	None	8.3 mills (Borough)
Uganik	0	Unincorporated	Kodiak Island Borough	N/A	5% Accomodations Tax (Borough); 0.675% Severance Tax (Borough)	6.75 mills (Borough)
Ugashik	5	Unincorporated	Lake & Peninsula Borough	N/A	2% Raw Fish Tax (Borough)	None
Umkumiute	0	Unincorporated	Unorganized	N/A	N/A	N/A
Unalakleet	798	2nd Class City	Unorganized	3%	None	None
Unalaska	4,087	1st Class City	Unorganized	3%	5% Accomodations Tax; 2% Raw Fish Tax	11.78 mills
Unga	0	Unincorporated	Aleutians East Borough	N/A	2% Raw Fish Tax (Borough)	None
Upper Kalskag	197	2nd Class City	Unorganized	None	None	None
Valdez	4,254	Home Rule City	Unorganized	None	6% Accomodations Tax	18.0 mills
Venetie	213	Unincorporated	Unorganized	N/A	N/A	N/A
Wainwright	563	2nd Class City	North Slope Borough	3%	None	18.52 mills (Borough)
Wales	165	2nd Class City	Unorganized	2%	None	None
Wasilla	4,714	1st Class City	Matanuska-Susitna Borough	2%	5% Accomodations Tax (Borough)	2.55 mills (City); 13.0 mills (Borough)
Whale Pass	76	Unincorporated	Unorganized	N/A	N/A	N/A
White Mountain	212	2nd Class City	Unorganized	1%	None	None
Whitesone Logging Camp	198	Unincorporated	Unorganized	N/A	N/A	N/A
Whittier	289	2nd Class City	Unorganized	None	None	5.0 mills
Willow	419	Unincorporated	Matanuska-Susitna Borough	N/A	5% Accomodations Tax (Borough)	13.0 mills (Borough)
Wiseman	29	Unincorporated	Unorganized	N/A	N/A	N/A
Womens Bay	672	Unincorporated	Kodiak Island Borough	N/A	5% Accomodations Tax (Borough); 0.675% Severance Tax (Borough)	6.75 mills (Borough)
Wrangell	2,595	Home Rule City	Unorganized	7%	\$3/Night Accomodations Tax	10.0 mills
Yakutat	802	Home Rule Borough	City & Borough of Yakutat	3%	1% Salmon Tax	9.0 mills

MEMORANDUM

STATE OF ALASKA Community and Regional Affairs

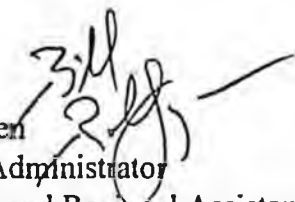
To: The Honorable Ivan Ivan
Representative
Alaska House of Representatives

Date: January 31, 1997

File

Thru:

Phone: 465-4733

From: Bill Rolfzen 
Program Administrator
Municipal and Regional Assistance
Division

Subject: PILT

PAYMENT IN LIEU OF TAXES PROGRAM SUMMARY

The federal Payment in Lieu of Taxes (PILT) Program provides payments to units of local government (typically counties or boroughs) containing certain federally-owned lands, also known as "entitlement lands". The PILT payments are intended to supplement other federal land payments local governments may be receiving. Federal law provides that PILT payments may be used by the local government for any governmental purpose.

The federal PILT formula provides payments to be calculated based upon the number of acres of "entitlement lands" located within the local government. "Entitlement lands" include lands in the National Forest System, National Park System, lands administered by the Bureau of Land Management (BLM), and certain National Wildlife Reserve areas.

The law also provides for a "population ceiling cap" for each local government. A PILT payment cannot exceed this ceiling cap. The payment "ceilings" are based upon a sliding scale (see attached table) starting at \$62 per capita for populations under 5,000 and increasing to a maximum of \$1,237,500 (50,000 X \$24.75).

The Honorable Ivan Ivan
January 31, 1997
Page Two

Payment Formulas
(Based Upon Federal Fiscal Year 1995 Criteria)

The federal PILT law incorporates the "entitlement lands" and "population ceiling cap" into a formula consisting of two alternatives. The PILT payment to a local government is the higher of Alternative A or B, not to exceed the "payment ceiling cap". The funding formulas are as follows:

Alternative A:

The lessor of the "payment ceiling cap" or ninety-three (93) cents for each acre of "entitlement land" within the boundaries of the unit of local government, reduced by the amount of certain federal land payments (most notably National Forest Receipt payments) that were received by the local government during the preceding fiscal year.

or

Alternative B:

Twelve (12) cents for each acre of "entitlement land" within the unit of local government, with no reductions for other federal land payments that were received.

Again, the maximum amount that a local government can receive under either alternative is their "population ceiling cap". The per acre payments and population ceiling payments will be increased slightly over federal fiscal years 1995 - 1999.

Senator Stevens' Amendments

Historically, only the organized boroughs in Alaska were determined to be "units of local government" for purposes of the PILT program. Senator Stevens' amendments provide that the eleven federal census areas comprising the unorganized borough of Alaska are now to be considered "units of local government" for purposes of this program. His amendments also provide that the State of Alaska shall receive the federal PILT payments for each federal census area (unlike payments to the organized boroughs which are made directly to the borough from the BLM) and "shall distribute such payment to home rule cities and general law cities (as such cities are defined by the State) located within the boundaries of the unit of local government for which the payment was received".

Table 2: Fiscal Year 1995 Population Constraints for
Payments in Lieu of Taxes (Section 1)

If population is less than or equal to:	Payment shall not exceed the amount computed by multiplying such population by:
5,000	\$62.00
6,000	58.00
7,000	54.50
8,000	51.00
9,000	47.00
10,000	43.50
11,000	42.00
12,000	41.00
13,000	40.00
14,000	38.50
15,000	37.00
16,000	36.50
17,000	36.00
18,000	25.50
19,000	34.50
20,000	34.00
21,000	33.75
22,000	33.50
23,000	33.00
24,000	32.50
25,000	32.25
26,000	32.00
27,000	31.75
28,000	31.50
29,000	31.25
30,000	31.00
31,000	30.75
32,000	30.50
33,000	30.00
34,000	29.75
35,000	29.50
36,000	29.25
37,000	28.75
38,000	28.50
39,000	28.25
40,000	28.00
41,000	27.50
42,000	27.25
43,000	27.00
44,000	26.50
45,000	26.25
46,000	26.00
47,000	25.75
48,000	25.50
49,000	25.00
50,000	24.75

Potential PILT Payments
ESTIMATES ONLY!!

Census Area	City	1995 DCRA Pop	Proportion of Census Area Pop	PILT Payment
Aleutians West	Atka	97	1.89%	\$6,602.49
	Saint George	195	3.79%	\$13,273.05
	Saint Paul	767	14.92%	\$52,207.31
	Unalaska	4,083	79.40%	\$277,917.15
		5,142	100%	\$350,000.00
Bethel	Akiak	320	2.91%	\$12,615.13
	Aniak	581	5.28%	\$22,904.35
	Bethel	5,195	47.19%	\$204,798.80
	Chefornak	371	3.37%	\$14,625.67
	Chuathbaluk	125	1.14%	\$4,927.79
	Eek	283	2.57%	\$11,156.51
	Goodnews Bay	254	2.31%	\$10,013.26
	Kwethluk	688	6.25%	\$27,122.54
	Lower Kalskag	308	2.80%	\$12,142.07
	Mekoryuk	212	1.93%	\$8,357.53
	Napakiak	326	2.96%	\$12,851.67
	Napaskiak	404	3.67%	\$15,926.61
	Nightmute	189	1.72%	\$7,450.81
	Nunapitchuk	456	4.14%	\$17,976.56
	Platinum	44	0.40%	\$1,734.58
	Quinhagak	549	4.99%	\$21,642.84
Toksook Bay	520	4.72%	\$20,499.59	
Upper Kalskag	184	1.67%	\$7,253.70	
		11,009	100%	\$434,000.00
Dillingham	Aleknagik	182	4.38%	\$8,780.47
	Clark's Point	63	1.52%	\$3,039.39
	Dillingham	2,243	53.94%	\$108,212.07
	Ekwok	102	2.45%	\$4,920.92
	Manokotak	402	9.67%	\$19,394.23
	New Stuyahok	421	10.13%	\$20,310.87
	Togiak	745	17.92%	\$35,942.04
		4,158	100%	\$200,600.00

Potential PILT Payments
ESTIMATES ONLY!!

Census Area	City	1995 DCRA Pop	Proportion of Census Area Pop	PILT Payment
Nome	Brevig Mission	265	2.84%	\$9,324.18
	Diomedes	154	1.65%	\$5,418.58
	Elim	281	3.01%	\$9,887.15
	Gambell	628	6.74%	\$22,096.55
	Golovin	156	1.67%	\$5,488.95
	Koyuk	279	2.99%	\$9,816.78
	Nome	3,984	42.74%	\$140,179.36
	Saint Michael	341	3.66%	\$11,998.28
	Savoonga	604	6.48%	\$21,252.09
	Shaktolik	199	2.13%	\$7,001.93
	Shishmaref	536	5.75%	\$18,859.47
	Stebbins	475	5.10%	\$16,713.15
	Teller	274	2.94%	\$9,640.85
	Unalakleet	764	8.20%	\$26,881.79
	Wales	173	1.86%	\$6,087.11
White Mountain	209	2.24%	\$7,353.79	
		9,322	100%	\$328,000.00
Prince of Wales	Coffman Cove	254	6.26%	\$17,659.76
	Craig	1,946	47.98%	\$135,298.82
	Hydaburg	406	10.01%	\$28,227.81
	Kasaan	41	1.01%	\$2,850.59
	Klawock	759	18.71%	\$52,770.71
	Thorne Bay	650	16.03%	\$45,192.31
		4,056	100%	\$282,000.00
Skagway/Yakutat	Angoon	601	22.81%	\$50,007.31
	Hoonah	903	34.27%	\$75,135.77
	Pelican	209	7.93%	\$17,390.23
	Skagway	811	30.78%	\$67,480.74
	Tenakee Springs	111	4.21%	\$9,235.96
		2,635	100%	\$219,250.00
Southeast Fairbanks	Delta Junction	828	85.01%	\$239,728.95
	Eagle	146	14.99%	\$42,271.05
		974	100%	\$282,000.00
Valdez/Cordova	Cordova	2,568	35.08%	\$122,770.11
	Valdez	4,469	61.04%	\$213,652.51
	Whittier	284	3.88%	\$13,577.38
		7,321	100%	\$350,000.00

Potential PILT Payments
ESTIMATES ONLY!!

Census Area	City	1995 DCRA Pop	Proportion of Census Area Pop	PILT Payment
Wade Hampton	Alakanuk	604	9.23%	\$26,036.07
	Chevak	682	10.42%	\$29,398.35
	Emmonak	762	11.65%	\$32,846.84
	Hooper Bay	996	15.22%	\$42,933.66
	Kotlik	548	8.38%	\$23,622.13
	Marshall	298	4.56%	\$12,845.61
	Mountain Village	758	11.59%	\$32,674.41
	Pilot Station	523	7.99%	\$22,544.48
	Russian Mission	295	4.51%	\$12,716.29
	Saint Mary's	479	7.32%	\$20,647.81
	Scammon Bay	434	6.63%	\$18,708.04
	Sheldon Point	163	2.49%	\$7,026.29
			6,542	100%
Wrangell/Petersburg	Kake	696	10.03%	\$30,897.67
	Kupreanof	24	0.35%	\$1,065.44
	Petersburg	3,350	48.28%	\$148,717.21
	Port Alexander	110	1.59%	\$4,883.25
	Wrangell	2,758	39.75%	\$122,436.44
		6,938	100%	\$308,000.00
Yukon Koyukuk	Allakaket	187	3.83%	\$13,102.64
	Anvik	96	1.97%	\$6,726.49
	Bettles	34	0.70%	\$2,382.30
	Fort Yukon	663	13.58%	\$46,454.82
	Galena	527	10.80%	\$36,925.63
	Grayling	212	4.34%	\$14,854.33
	Holy Cross	289	5.92%	\$20,249.54
	Hughes	78	1.60%	\$5,465.27
	Huslia	255	5.22%	\$17,867.24
	Kaltag	257	5.27%	\$18,007.38
	Koyukuk	125	2.56%	\$8,758.45
	McGrath	479	9.81%	\$33,562.38
	Nenana	490	10.04%	\$34,333.13
	Nikolai	125	2.56%	\$8,758.45
	Nulato	359	7.36%	\$25,154.27
	Ruby	210	4.30%	\$14,714.20
	Shageluk	144	2.95%	\$10,089.74
	Tanana	351	7.19%	\$24,593.73
		4,881	100%	\$342,000.00
TOTAL PILT PAYMENTS				\$3,377,850.00

Estimated Maximums

DRAFT

1001/012

	A	B	C	D	E	F	G
Calculations for Payments in Lieu of Taxes							
	Unorganized Borough* (Census Area)	Total Census Area Acres	Eligible Federal Acres	Population	POP \$ Rate	Prior Year Pay	Ceiling \$ NTE Cap (D*B)
1	Alcutians West	2,817,344		9,478	35		\$350,000
2	Bethel	26,295,936		19,656	31		434,000
3	Dillingham	11,818,816		4,012	50		200,600
4	Nome	14,728,064		8,288	41		328,000
5	Prince of Wales-Outer Ketchikan	4,687,680		6,278	47		282,000
6	Skagway-Yukutat-Angoon	8,243,584		4,385	50		219,250
7	Southeast Fairbanks	16,636,224		5,913	47		282,000
8	Valdez-Cordova	23,645,056		9,952	35		350,000
9	Wade Hampton	10,959,424		5,791	47		282,000
10	Wrangell-Petersburg	3,717,440		7,042	44		308,000
11	Yukon-Koyukuk	100,557,632		8,478	38		342,000
	Totals	224,107,200		83,273			\$3,377,850

Reference:

U.S. Department of Commerce, Economic and Statistics Administration, Bureau of the Census; 1990 Census of Population and Housing, Population and Housing Unit Counts - Alaska; 1990 CPH-2-3; Land Area, Population, and Housing Units: 1990, Table 4; Issued March 1993

Alaska Department of Labor, Research & Analysis Section, Demographic Unit; Alaska Population Overview - 1991 Estimates; Population and Group Quarters for Boroughs and Census Areas by Labor Market Regions: 1990, 1991; Table 2.2

Explanation of Table:

Column A - Unorganized Borough. Name and geographic boundaries provided by the Bureau of the Census. Eleven units listed on the above table are recognized as official census areas.

Column B - Total Census Area Acres. The number represents the total acres within the census area unit. The acreage has been derived from the square mile figures provided by the Bureau of the Census.

Column C - Eligible Federal Acres. This column has not been developed because it would require a detailed township by township analysis, which would not be essential except to implement the legislation.

Column D - Population. Bureau of the Census statistic for 1990 population in census units.

Column E - Population Dollar Rate. Allowable rate for calculating entitlement payments based upon population. This rate is established by 31 U.S.C. § 6903, (P.L. 94-565).

Column G - Ceiling Dollars, Not to Exceed Cap. This figure is the product of the census area population and the allowable population dollar rate (column D x column E). According to the statute, no entitlement payment can exceed the rate determined by this cap on payments.

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Alaska Boroughs and Census Areas



Table 4.2
Population of Places by Borough and Census Area 1990-1995

Area Name	Year Incorporated	April 1, 1990	July 1, 1991	July 1, 1992	July 1, 1993	July 1, 1994	July 1, 1995
Alaska	1959	550,043	569,383	587,328	597,868	606,278	615,900

Source: Alaska Department of Labor, Research and Analysis Section, Demographics Unit.

Aleutians West Census Area

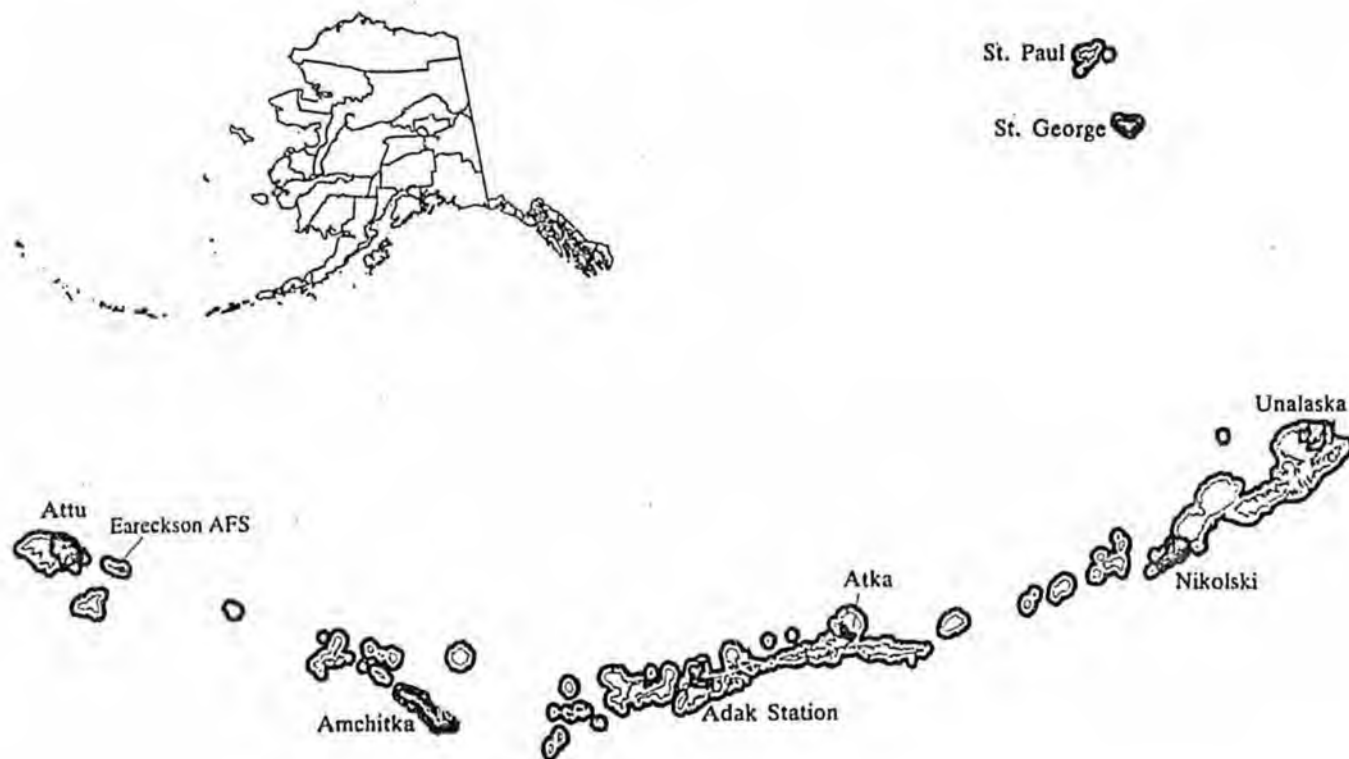


Table 4.2
Population of Places by Borough and Census Area 1990-1995

Area Name	Year Incorporated	April 1, 1990	July 1, 1991	July 1, 1992	July 1, 1993	July 1, 1994	July 1, 1995
Aleutians West Census Area		9,478	9,668	9,781	9,404	5,934	6,086
Adak Station CDP		4,633	4,665	4,583	4,017	627	874
Amchitka CDP		25	88	15	15	0	0
Atka *		98	103	99	100	89	103
Atka city	1988	73	77	74	74	66	77
Attu CG Station		23	20	22	23	21	16
Eareckson AFS		664	542	513	534	275	48
Nikolski CDP *		35	35	38	32	27	27
St. George city *	1983	138	135	144	147	156	151
St. Paul city *	1971	763	680	711	702	756	767
Unalaska city *	1942	3,089	3,388	3,642	3,819	3,967	4,083
Remainder of Aleutians West census area		10	12	14	15	16	17

CDP-Census Designated Place * Alaska Native Village Statistical Area
Alaska Department of Labor, Research and Analysis Section, Demographics Unit.

Bethel Census Area

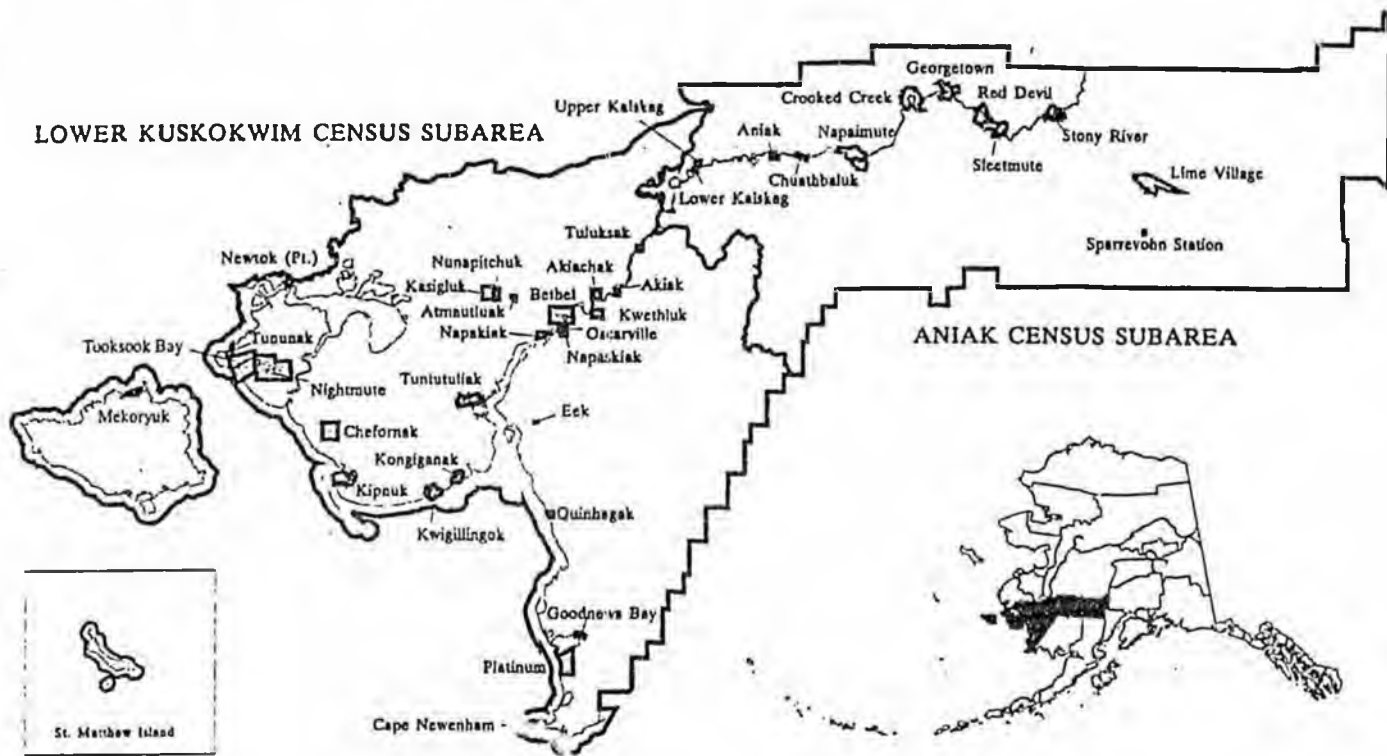


Table 4.2
Population of Places by Borough and Census Area 1990-1995

Area Name	Year Incorporated	April 1, 1990	July 1, 1991	July 1, 1992	July 1, 1993	July 1, 1994	July 1, 1995
Bethel Census Area		13,656	14,008	14,275	14,533	15,014	15,367
Aniak census subarea		1,529	1,567	1,595	1,622	1,637	1,686
Aniak city *	1972	540	514	542	530	531	581
Chuathbaluk city *	1975	97	128	101	115	122	125
Crooked Creek CDP *		106	112	106	122	110	138
Georgetown *		0	0	0	0	0	0
Lime Village CDP *		42	49	45	49	56	61
Lower Kalskag city *	1969	291	307	315	301	314	308
Napaimute *		3	3	3	3	3	3
Red Devil CDP *		53	50	71	70	75	61
Sleetmute CDP *		106	100	103	117	116	116
Stony River CDP *		51	48	46	49	48	44
Upper Kalskag city (Kalskag *)	1975	172	198	202	205	201	184
Remainder of Aniak census subarea		68	58	61	61	61	65

Dillingham Census Area

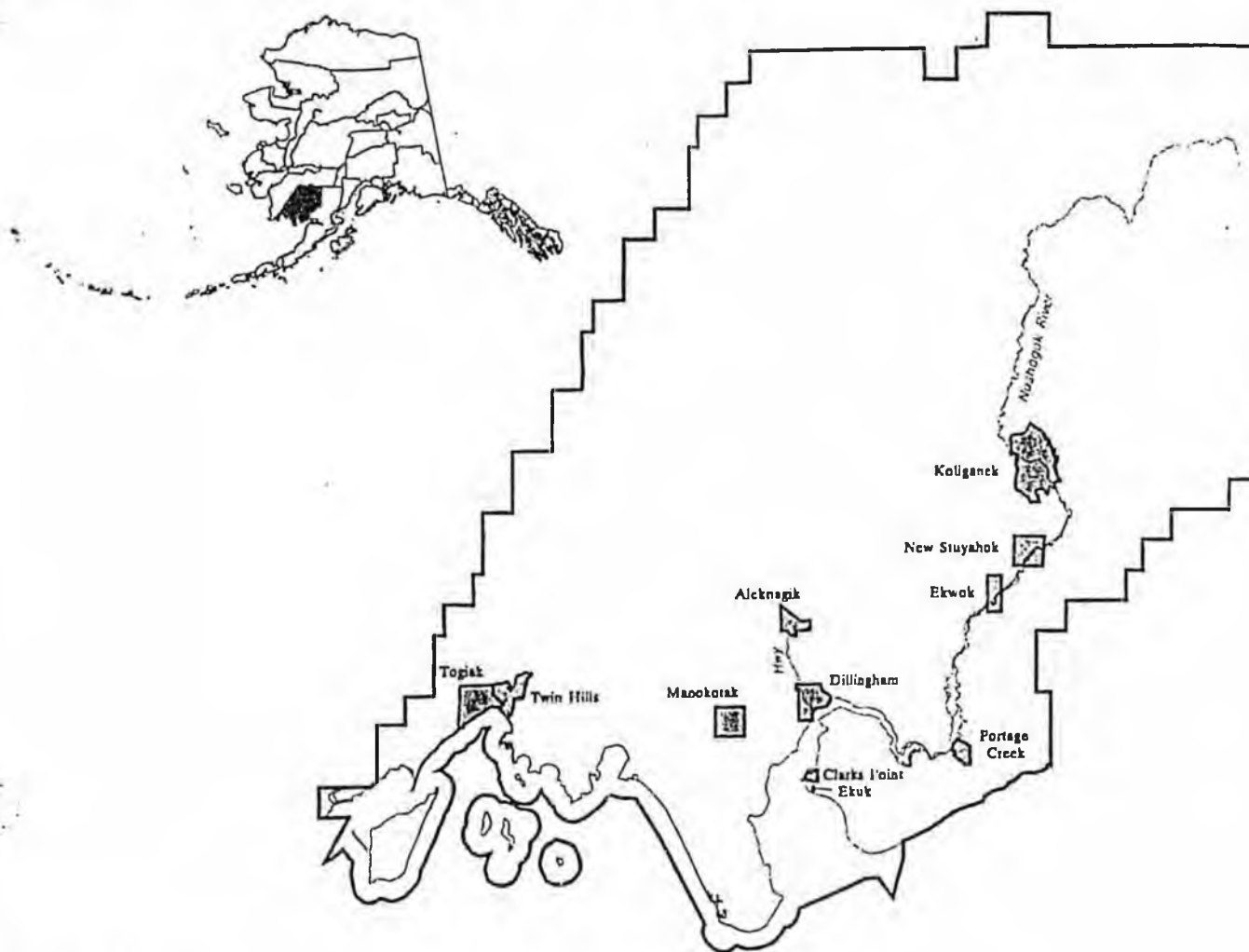


Table 4.2
Population of Places by Borough and Census Area 1990-1995

Area Name	Year Incorporated	April 1, 1990	July 1, 1991	July 1, 1992	July 1, 1993	July 1, 1994	July 1, 1995
Dillingham Census Area		4,012	4,150	4,189	4,321	4,300	4,421
Aleknagik city *	1973	185	203	191	177	172	182
Clarks Point city *	1971	60	55	70	55	62	63
Dillingham city *	1963	2,017	2,125	2,113	2,186	2,173	2,243
Eku *		3	3	3	3	3	3
Ekwok city *	1974	77	76	78	95	89	86
Koliganek CDP *		181	191	192	196	206	208
Manokotak city *	1970	385	392	398	420	405	402
New Stuyahok city *	1972	391	387	406	413	421	421
Portage Creek *		5	5	5	6	6	6
Togiak city *	1969	613	610	637	669	660	700
Twin Hills CDP *		66	72	65	70	73	75
Remainder of Dillingham census subarea		29	31	31	31	30	32

CDP-Census Designated Place * Alaska Native Village Statistical Area
Source: Alaska Department of Labor, Research and Analysis Section, Demographics Unit.

Nome Census Area

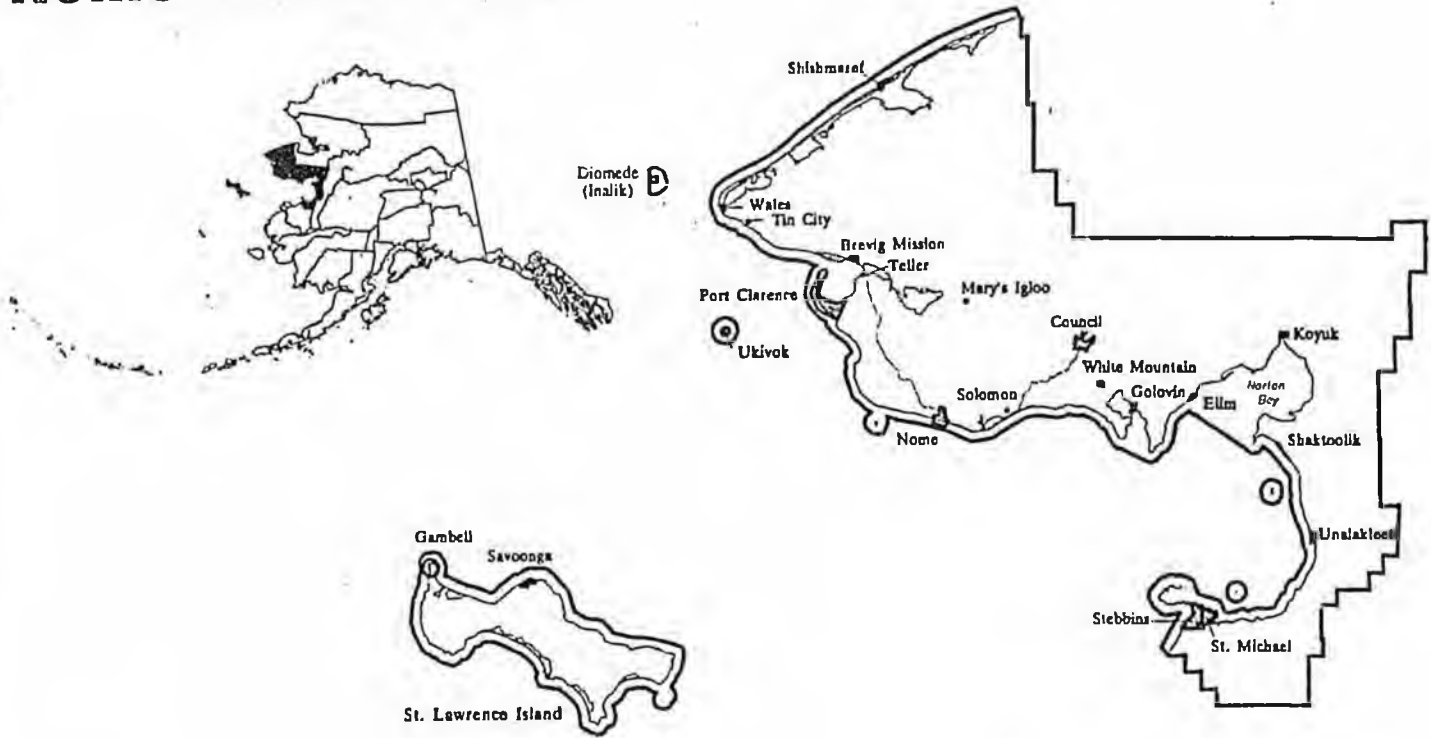
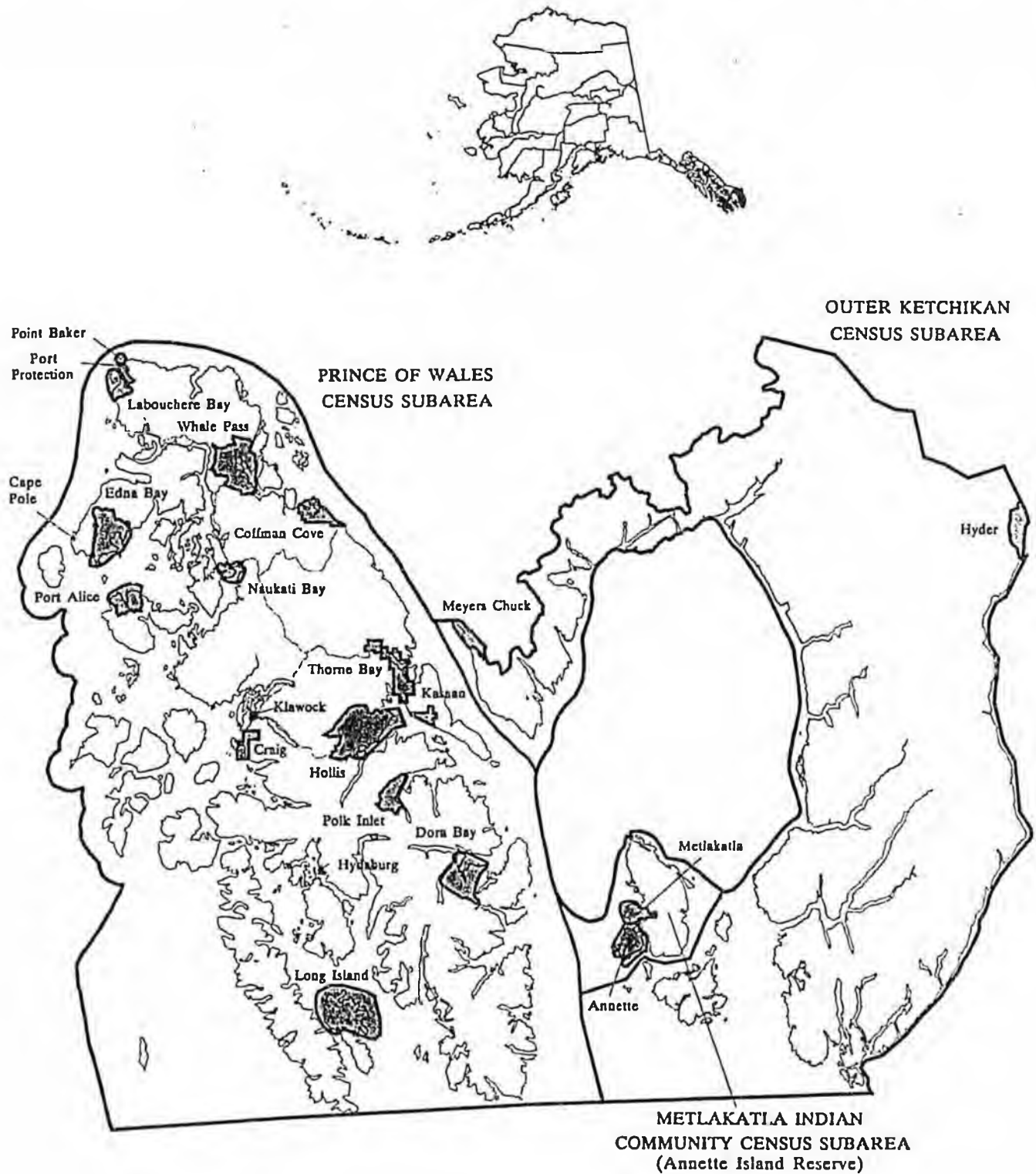


Table 4.2
Population of Places by Borough and Census Area 1990-1995

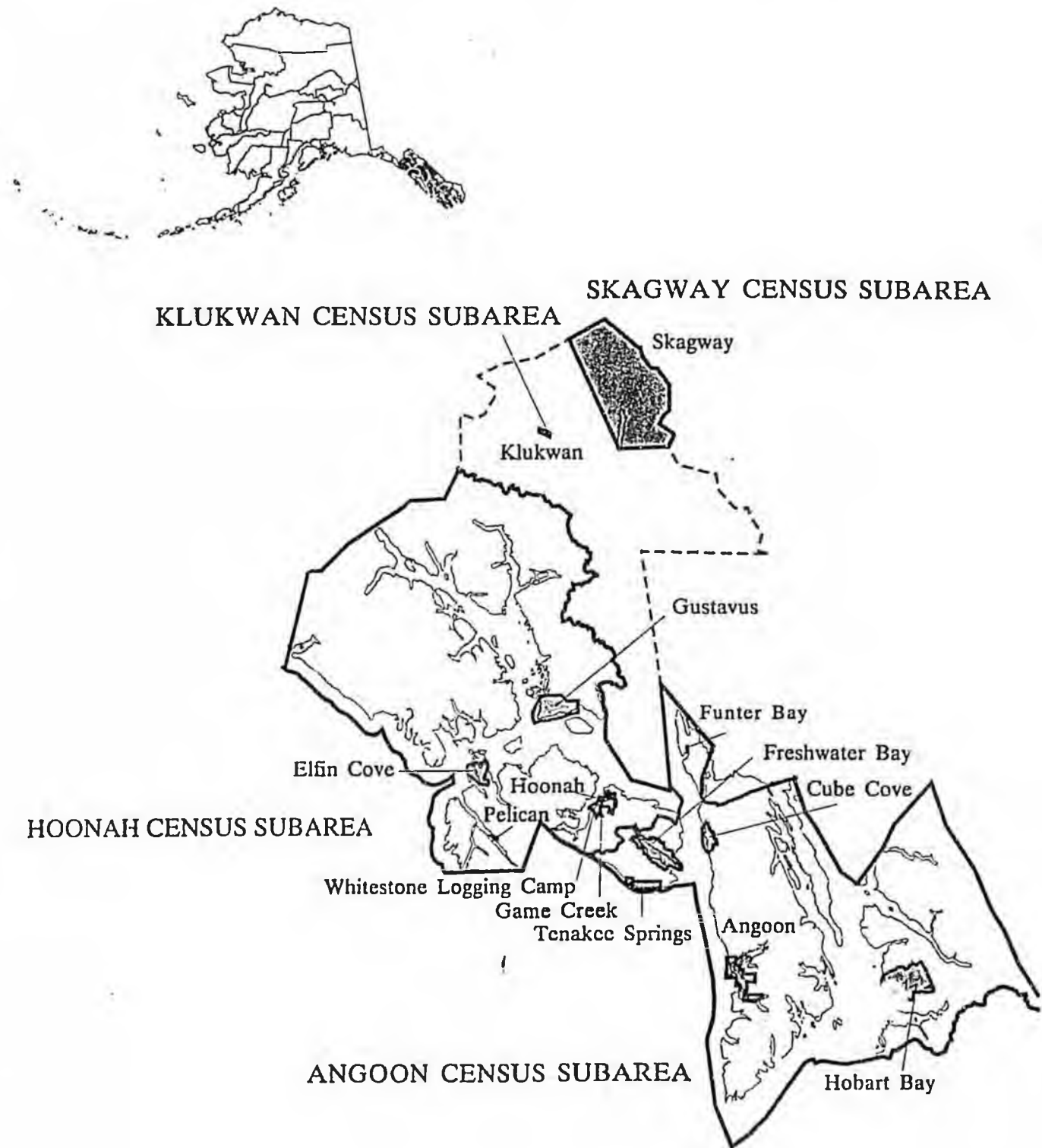
Area Name	Year Incorporated	April 1, 1990	July 1, 1991	July 1, 1992	July 1, 1993	July 1, 1994	July 1, 1995
Nome Census Area		8,288	8,544	8,807	8,849	8,933	8,991
Brevig Mission city *	1969	198	220	228	243	257	265
Council *		8	8	8	8	8	8
Diomedes city (Inalik *)	1970	178	176	181	178	169	154
Elim city *	1970	264	268	264	275	269	281
Gambell city *	1963	525	552	578	588	623	628
Golovin city *	1971	127	145	148	154	156	148
Koyuk city *	1970	231	248	271	284	265	258
Mary's Igloo *		0	0	0	0	0	0
Nome city	1901	3,500	3,556	3,652	3,598	3,564	3,576
Port Clarence CDP		26	23	28	28	23	24
St. Michael city *	1969	295	298	313	298	327	332
Savoonga city *	1969	519	544	562	574	578	604
Shaktoolik city *	1969	178	188	195	196	208	199
Shishmaref city *	1969	456	466	496	524	529	536
Solomon *		6	6	6	6	6	6
Stebbins city *	1969	400	435	453	459	464	475
Teller city *	1963	232	256	263	267	260	274
Ukivok *		0	0	0	0	0	0
Unalakleet city *	1974	714	728	744	746	781	764
Wales city *	1964	161	158	152	157	158	173
White Mountain city *	1969	180	180	175	178	204	209
Remainder of Nome census subarea		90	89	90	88	84	77

CDP-Census Designated Place * Alaska Native Village Statistical Area
Source: Alaska Department of Labor, Research and Analysis Section, Demographics Unit.

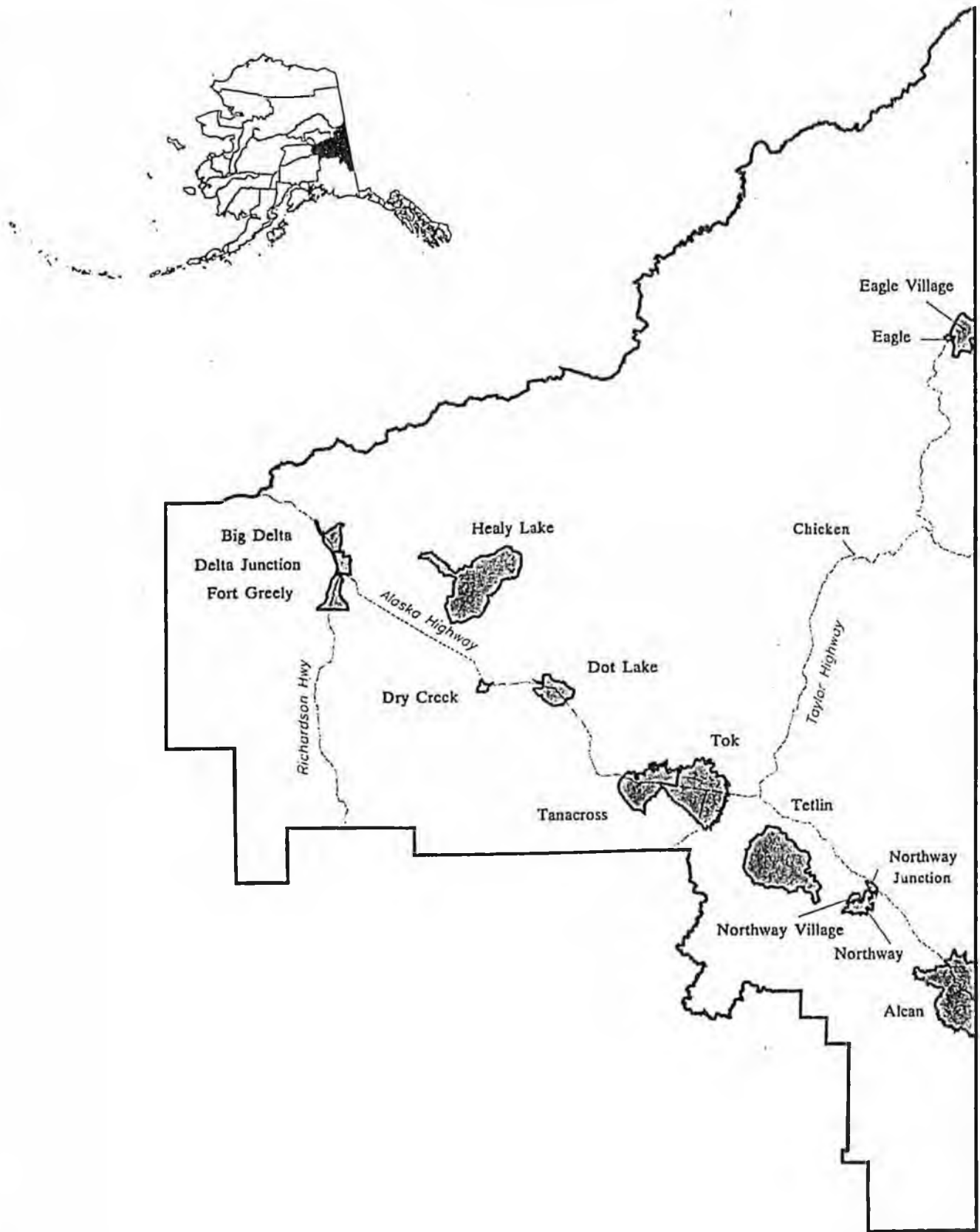
Prince of Wales-Outer Ketchikan Census Area



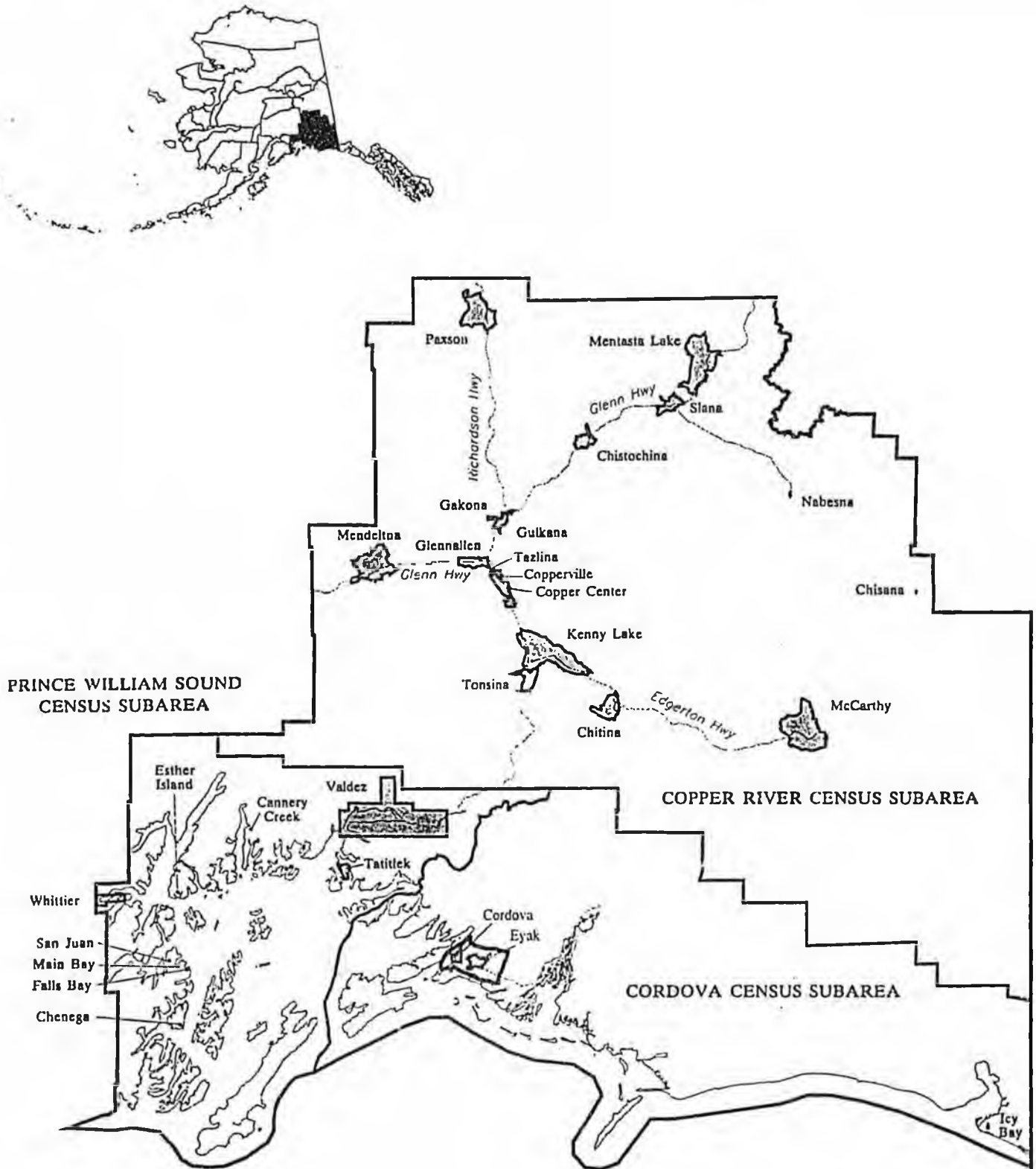
Skagway-Hoonah-Angoon Census Area



Southeast Fairbanks Census Area



Valdez-Cordova Census Area



Wade Hampton Census Area



Wrangell-Petersburg Census Area

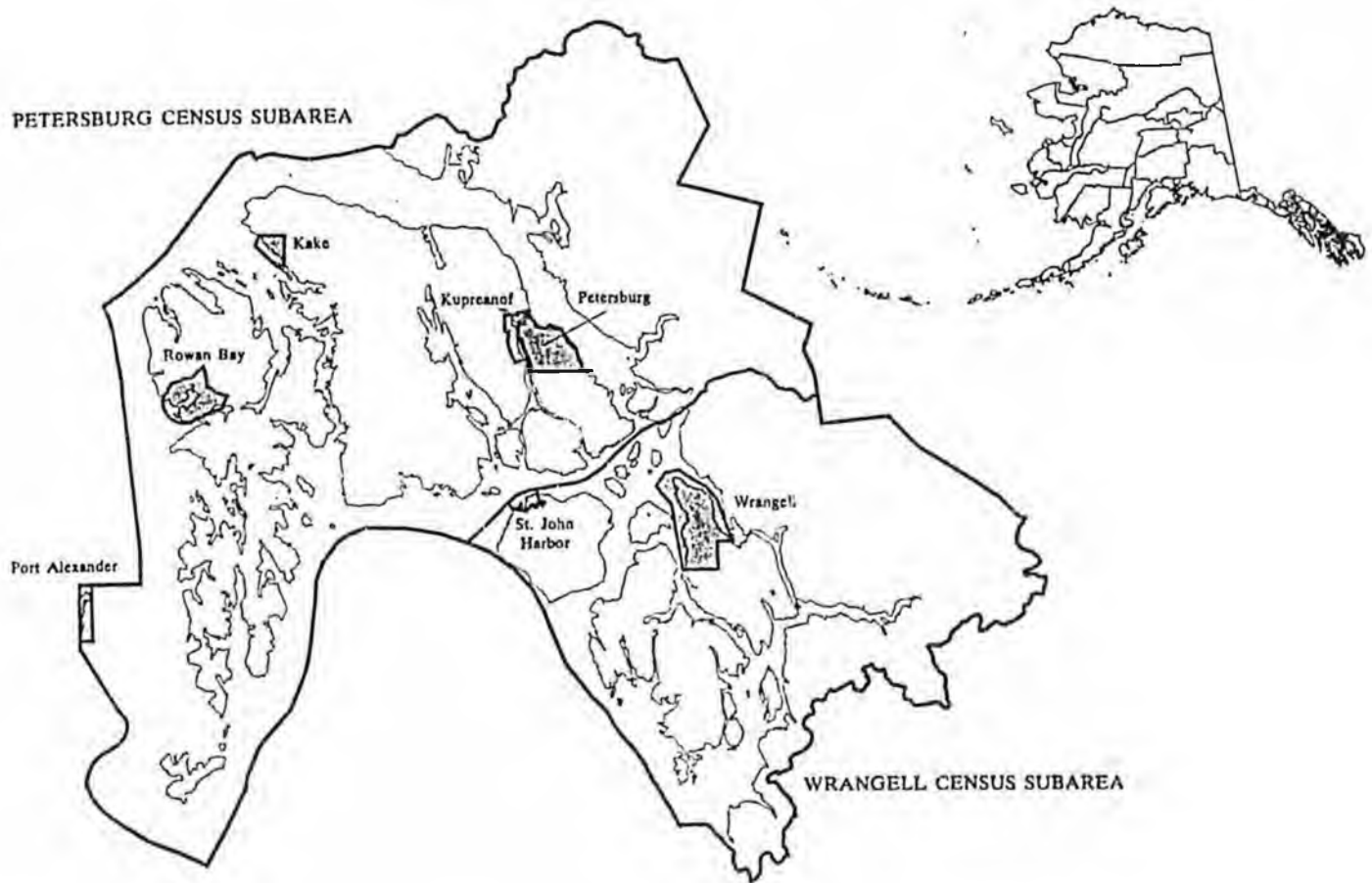


Table 4.2
Population of Places by Borough and Census Area 1990-1995

Area Name	Year Incorporated	April 1, 1990	July 1, 1991	July 1, 1992	July 1, 1993	July 1, 1994	July 1, 1995
Wrangell-Petersburg Census Area		7,042	7,200	7,297	7,272	7,221	7,303
Petersburg census subarea		4,407	4,509	4,509	4,497	4,384	4,451
Kake city *	1952	700	713	724	725	684	696
Kupreanof city	1975	23	24	24	24	24	24
Petersburg city	1910	3,207	3,293	3,292	3,297	3,271	3,350
Port Alexander city	1974	119	115	115	113	103	98
Rowan Bay CDP		133	137	126	110	79	55
Remainder of Petersburg census subarea		225	227	228	228	223	228
Wrangell census subarea		2,635	2,691	2,788	2,775	2,837	2,852
St. John Harbor CDP		69	0	0	0	0	0
Wrangell city	1903	2,479	2,602	2,696	2,683	2,744	2,758
Remainder of Wrangell census subarea		87	89	92	92	93	94

CDP-Census Designated Place * Alaska Native Village Statistical Area
Source: Alaska Department of Labor, Research and Analysis Section, Demographics Unit.

Yukon-Koyukuk Census Area

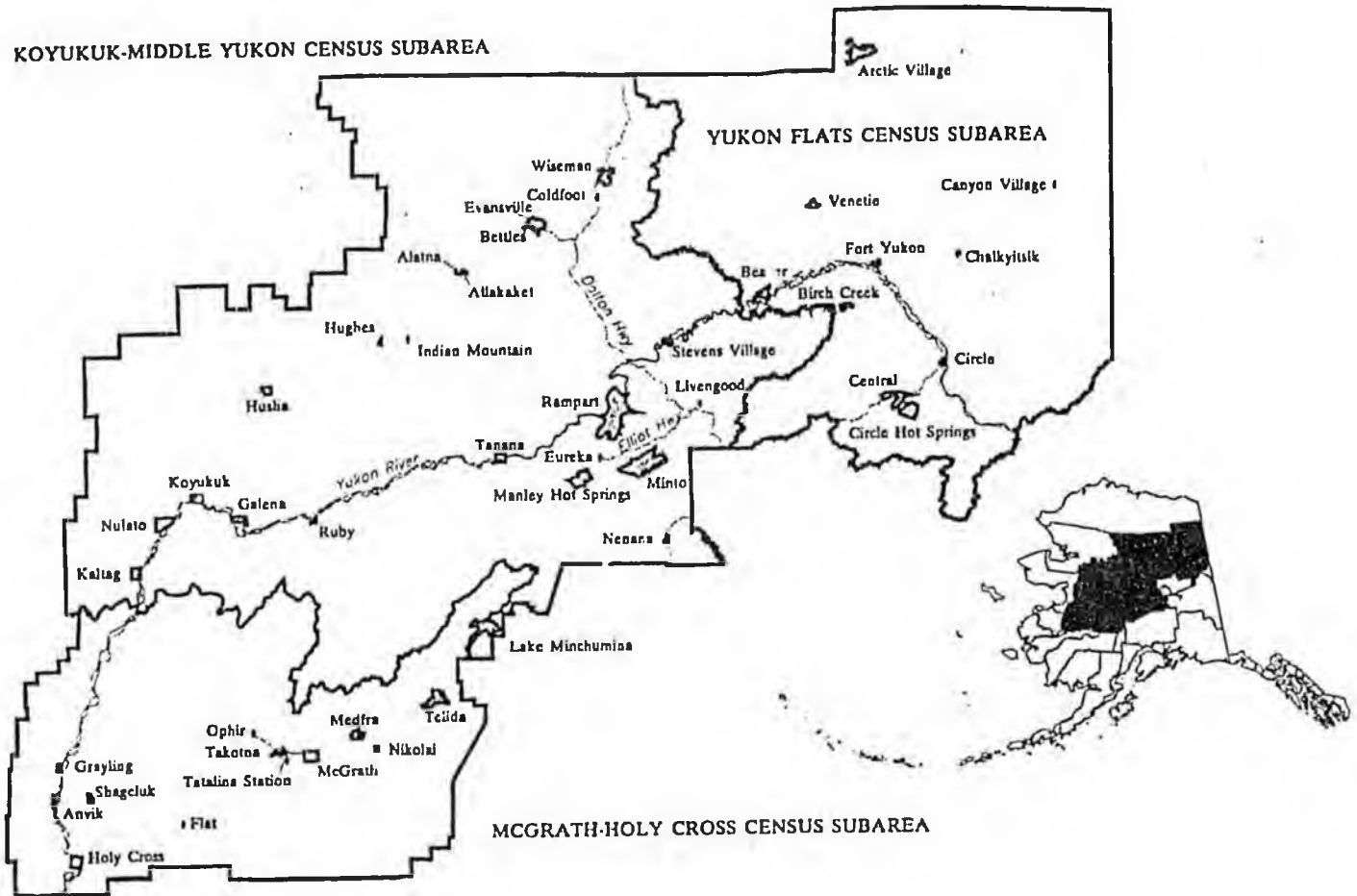


Table 4.2
Population of Places by Borough and Census Area 1990-1995

Area Name	Year Incorporated	April 1, 1990	July 1, 1991	July 1, 1992	July 1, 1993	July 1, 1994	July 1, 1995
Yukon-Koyukuk Census Area		6,714	6,693	6,734	6,689	6,529	6,516
Koyukuk-Middle Yukon census subarea		3,928	3,886	3,922	3,843	3,693	3,597
Allakaket city	1975	170	171	171	171	171	147
Alatna *		31	31	31	31	31	31
Allakaket *		140	140	140	140	140	116
Evansville*		69	54	49	48	59	64
Bettles city	1985	36	28	26	25	31	34
Evansville CDP		33	26	23	23	28	30
Galena city *	1971	833	852	838	711	520	527
Hughes city *	1973	54	51	61	59	61	62
Huslia city *	1969	207	198	207	220	244	255
Kaltag city *	1969	240	238	258	245	247	234
Koyukuk city *	1973	126	123	123	124	141	125
Lake Minchumina CDP *		32	31	23	32	37	36

TED STEVENS, ALASKA, CHAIRMAN

THAD COCHRAN, MISSISSIPPI
 ARLEN SPECTER, PENNSYLVANIA
 PETE V. DOMENICI, NEW MEXICO
 CHRISTOPHER S. BOND, MISSOURI
 SLADE GORTON, WASHINGTON
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 MARTY RIO, NEVADA
 MARY MORGAN, WISCONSIN
 PATTY BUNNEY, WASHINGTON
 BYRON DORGAN, MINN. DAKOTA
 BARBARA BLUMENTHAL, CALIFORNIA

STEVEN J. COMBES, STAFF DIRECTOR
 JAMES H. ENGLISH, MINORITY STAFF DIRECTOR

United States Senate

COMMITTEE ON APPROPRIATIONS
 WASHINGTON, DC 20510-0025

February 26, 1997

The Honorable Tony Knowles
 Governor
 State of Alaska
 Alaska State Capitol
 Juneau, AK 99811-0001

10 - 5812
 cc - gov/cos
 cc - ron
 cc - omb

RECEIVED
 MAR 4 1997
 OFFICE OF THE GOVERNOR

Dear Tony:

As you are aware, recently enacted federal legislation recognizes the unorganized borough for purposes of the Payment in Lieu of Taxes (PILT) program. I am advised that the Legislature is considering a bill which provides a framework for the administration of PILT monies which may flow to Alaska under this new provision.

In the 104th Congress I sponsored legislation amending the federal PILT program, 31 U.S.C.A. 6901 et seq., to permit the payment of PILT monies to the State of Alaska for distribution to cities within the state's unorganized borough. This amendment passed as part of the Omnibus Parks and Public Lands Management Act of 1996 (P.L. 104-333, sec 1033).


My intent in proposing the amendment was for PILT monies to supplement, rather than replace, funding currently provided to Alaska's rural communities by government. Having said that, it is up to the Alaska Legislature, in consultation with your office, as to how to modify the state revenue sharing law.

It might be asked whether the Legislature could impose restrictions on the use of the money. United States Code section 6902(a)(1) states that a "unit of general local government may use the payment for any governmental purpose." Similarly, new code section 6902(a)(2) makes clear that "such cities may use monies received under this paragraph for any governmental purpose." Therefore, it is not possible under the statute to limit the use of the PILT program.

Given the caveats above, I believe the merits of state legislation addressing the distribution of the PILT funds to the unorganized borough are a matter more appropriate for the State legislature to determine in consultation with your office.

With best wishes,

Cordially,


 TED STEVENS

10017012

PAGE THREE
PILT ENTITLEMENT

	A	B	C	D	E	F	G
Calculations for Payments in Lieu of Taxes							
	Unorganized Borough* (Census Area)	Total Census Area Acres	Eligible Federal Acres	Population	POP \$ Rate	Prior Year Pay	Ceiling \$ NTE Cap (D*E)
1	Alcutians West	2,817,344		9,478	35		\$350,000
2	Bethel	26,295,936		13,656	31		434,000
3	Dillingham	11,818,816		4,012	50		200,600
4	Nome	14,728,064		8,288	41		328,000
5	Prince of Wales-Outer Ketchikan	4,687,680		6,278	47		262,000
6	Skagway-Yakutat-Angoon	8,243,584		4,385	50		219,250
7	Southeast Fairbanks	16,636,224		5,913	47		282,000
8	Valdez-Cordova	23,645,056		9,952	35		350,000
9	Wade Hampton	10,959,424		5,791	47		282,000
10	Wrangell-Petersburg	3,717,440		7,032	44		308,000
11	Yukon-Koyukuk	100,557,632		8,476	38		342,000
	Totals	224,107,104		83,273			\$3,377,850

Reference:

U.S. Department of Commerce, Economic and Statistics Administration, Bureau of the Census; 1990 Census of Population and Housing, Population and Housing Unit Census - Alaska; 1990 CPH-2-3; Land Area, Population, and Housing Units: 1990, Table 4; Issued March 1993

Alaska Department of Labor, Research & Analysis Section, Demographic Unit; Alaska Population Overview - 1991 Estimates; Population and Group Quarters for Boroughs and Census Areas by Labor Market Regions: 1990, 1991; Table 2.2

Explanation of Table:

Column A - Unorganized Borough. Name and geographic boundaries provided by the Bureau of the Census. Eleven units listed on the above table are recognized as official census areas.

Column B - Total Census Area Acres. The number represents the total acres within the census area unit. The acreage has been derived from the square mile figures provided by the Bureau of the Census.

Column C - Eligible Federal Acres. This column has not been developed because it would require a detailed township by township analysis, which would not be essential except to implement the legislation.

Column D - Population. Bureau of the Census statistic for 1990 population in census units.

Column E - Population Dollar Rate. Allowable rate for calculating entitlement payments based upon population. This rate is established by 31 U.S.C. § 6903, (P.L. 94-565).

Column G - Ceiling Dollars, Not to Exceed Cap. This figure is the product of the census area population and the allowable population dollar rate (column D x column E). According to the statute, no entitlement payment can exceed the rate determined by this cap on payments.

8 of 18

TABLE 1

CHAPTER 69, 31 U.S. CODE
 PAYMENTS IN LIEU OF TAXES
 FEDERAL LAND PAYMENTS (SECTION 6903(a)(1))

<u>Provisions of Law</u>	<u>Agency Making Payment</u>	<u>Types of Receipts</u>	<u>Disposition of Receipts</u>
(1) Act of 5/23/08; Dept. of Agriculture Appropriation Act; 35 Stat. 251; 16 U.S.C. 500	U.S. Forest Service	Monies received from each National Forest	65% to U.S. Treasury 25% of gross to State for counties 10% to Forest Roads Appropriation
(2) Act of 6/20/10; Enabling Act of Arizona and New Mexico; 36 Stat. 557	U.S. Forest Service	Proceeds from all Nat'l Forests as area of land for schools bears to area of all Nat'l forests in State	100% to States for schools
(3) Act of 2/25/20 (Sec 35); Mineral Lands Leasing Act; 41 Stat. 450; 30 U.S.C. 191.	Bu. of Land Management	Monies received from mineral leasing	50% to States 40% to Bur. of Reclamation 10% to U.S. Treasury
(4) Federal Power Act (Section 17); 41 Stat. 1072; 16 U.S.C. 810	Federal Energy Regulatory Commission	Occupancy and use of National Forests and Public Lands	50% to Bur. of Reclamation 37.5% to States 12.5% U.S. Treasury
(5) Taylor Grazing Act (Sec 10); 43 U.S.C. 315i	Bu. of Land Management	Proceeds from section 3 grazing receipts	50% to Range Improvement Fund 37.5% to U.S. Treasury 12.5% to States for counties
		Proceeds from section 15 grazing receipts	50% to States for counties 50% to Range Improvement Fund
(6) Bankhead-Jones Farm Tenant Act (Section 33); 50 Stat. 526; 7 U.S.C. 1012	Bu. of Land Management	Revenues from use of the lands	50% to Range Improvement Fund 25% to counties 25% to U.S. Treasury
(7) Act of 6/22/48; Superior Nat'l Forest State of Minn.; 62 Stat. 570; 16 U.S.C. 577g	U.S. Forest Service	Percentage of fair appraised value	.75% of appraised value paid in addition to Act of 5/23/08 ((1) above)
(8) Act of 6/22/56 to amend Act of 6/22/48; 70 Stat. 328; 16 U.S.C. 577g-1	U.S. Forest Service	Same as (7) above	Same as (7) above
(9) Mineral Leasing Act for Acquired Lands (Sect. 6); 61 Stat. 915; 30 U.S.C. 355	Bu. of Land Management U.S. Forest Service	Monies received from mineral leasing	50% to States 40% to Bureau of Reclamation 10% to U.S. Treasury
(10) Material Disposal Act (Section 3); 61 Stat. 681;	Bu. of Land Management U.S. Forest Service	Net revenues from sale of land and materials	varies depending upon type of receipt and agency
(11) Refuge Revenue Sharing Act, as amended; 92 Stat. 1321; 16 U.S.C. 715s(c)(2)	U.S. Fish and Wildlife Service	Revenues from sale of timber, grazing and minerals on reserve area lands and sale of carcasses of certain animals	25% of net receipts to counties 75% to Revenue Sharing Fund

STATE OF ALASKA

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

TONY KNOWLES, GOVERNOR

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February 26, 1997

The Honorable Mark Hanley
Representative
Alaska House of Representatives
State Capitol
Juneau, AK 99801-1182

Dear Representative Hanley:

RE: SERVICES PROVIDED BY SECOND CLASS CITIES

During the February 24, 1997, hearing before the House Finance Committee on House Bill 86, "Payment in Lieu of Taxes for Cities in the Unorganized Borough", you raised the issue of responsibilities and provision of services in Alaska's second class cities. I thought it appropriate to follow-up your inquiry with a brief overview of this topic.

Currently there are 96 incorporated cities located within Alaska's unorganized borough. Of that total, 78 are incorporated as second class cities. These cities provide a wide array of public services to their residents including, to name a few, police, fire protection, water, sewer and road maintenance. Staff from the department reviewed the most recent audits and certified financial statements submitted by these cities. For comparative purposes, we limited our review to cities under a population of 1,000. The analysis of the financial documents showed the following comparison of services provided by first and second class cities.

<u>Service</u>	<u>% of First Class Cities Providing This Service</u>	<u>% of Second Class Cities Providing This Service</u>
Police	67%	58%
Fire	89%	51%
Water	89%	87%
Sewer	100%	88%
Roads	100%	95%

Representative Hanley
February 26, 1997
Page Two

While the services provided by second class cities go much beyond this list, it does illustrate that these cities, although existing with limited financial resources, have assumed responsibility for basic service provision comparable to their first class city counterparts.

Should you have any questions or comments, please call me at 465-4700.

Sincerely,



Lamar Cotten
Deputy Commissioner

Cities & Service Provision - Cities with under 1,000 population - Inside Boroughs vs. In Unorganized Borough

	Inside Borough	Unorganized Borough
1st Class Cities*	3	9
Population Range	289 - 897	196 - 900
Avg. Population	665	559
2nd Class Cities	33	77
Population Range	78 - 976	23 - 996
Avg. Population	322	347

% of Cities Providing Given Services:**

	1st Class Cities:		2nd Class Cities:		All Cities	
	Inside Borough count	Unorganized Borough count	Inside Borough count	Unorganized Borough count	Inside Borough count	Unorganized Borough count
	3	9	33	77	36	85
Police	67%	67%	30%	58%	33%	59%
Fire/Rescue	67%	89%	45%	51%	47%	55%
Water	100%	89%	67%	87%	69%	87%
Sewer	100%	100%	76%	88%	78%	89%
Washeteria	33%	22%	18%	51%	19%	48%
Refuse Collection	67%	100%	36%	49%	39%	54%
Landfill	67%	78%	52%	74%	53%	74%
Electric Utility	33%	11%	33%	26%	33%	25%
Cable Provider	0%	11%	52%	21%	47%	20%
Clinic	100%	67%	61%	71%	64%	71%
Library	0%	56%	15%	21%	14%	25%
Community Hall	100%	33%	39%	50%	44%	48%
Senior Services	0%	11%	3%	4%	3%	5%
Youth Center	67%	33%	24%	16%	28%	18%

* Includes Nenana, a Home Rule City

** Municipalities reported a non-trivial expenditure for this service on their annual municipal certified financial statements or audits

in his discretion, determines to be the principal provider or providers of governmental services within the State; and

(II) is a unit of general government, as determined by the Secretary of the Interior on the basis of the same principles as were used by the Secretary of Commerce on January 1, 1983, for general statistical purposes;

(ii) any area in Alaska that is within the boundaries of a census area used by the Secretary of Commerce in the decennial census, but that is not included within the boundary of a governmental entity described under clause (i);

(iii) the District of Columbia;

(iv) the Commonwealth of Puerto Rico;

(v) Guam; and

(vi) the Virgin Islands.

(B) the term 'governmental services' includes, but is not limited to, those services that relate to public safety, the environment, housing, social services, transportation, and governmental administration."

(b) PAYMENT IN LIEU OF TAXES.—Section 6902(a) of title 31, United States Code, is amended to read as follows:

(a)(1) Except as provided in paragraph (2), the Secretary of the Interior shall make a payment for each fiscal year to each unit of general local government in which entitlement land is located as set forth in this chapter. A unit of general local government may use the payment for any governmental purpose.

(2) For each unit of general local government described in section 6901(2)(A)(ii), the Secretary of the Interior shall make a payment for each fiscal year to the State of Alaska for entitlement land located within such unit as set forth in this chapter. The State of Alaska shall distribute such payment to home rule cities and general law cities (as such cities are defined by the State) located within the boundaries of the unit of general local government for which the payment was received. Such cities may use monies received under this paragraph for any governmental purpose."

SEC. 1034. EXTENSION OF STATUTE OF LIMITATIONS.

Notwithstanding any other provision of law, any of the Alaska Native Village Corporations of Tyonek Native Corporation, Ninilchik Native Association, Inc., Knikatu Inc., Seldovia Native Association, Inc., Chikaloon Moose Creek Native Association, Inc., and the Alaska Native Regional Corporation, Cook Inlet Region, Inc., may commence litigation at any time within 12 months of enactment of this Act in Federal District Court for Alaska to challenge any determination by the Department of the Interior that such native corporations will not receive conveyance of lands described in "Appendix C" of the Deficiency Agreement dated August 31, 1976.

SEC. 1035. REGULATIONS OF FISHING IN CERTAIN WATERS OF ALASKA.

(a) IN GENERAL.—Local residents who are descendants of Katmai residents who lived in the Naknek Lake and River Drainage shall be permitted, subject to reasonable regulations established by the Secretary of the Interior, to continue their traditional fishery for red fish within Katmai National Park (the national park and

national preserve re section 202(2) of the Act (16 U.S.C. 410hh-

(b) RED FISH D the term "red fish" no significant commo

(c) TITLE.—No p invalidate or valida the State of Alaska, shall any actions to Act operate under the State of Alaska, to any or all of the au

(d) JURISDICTION taken pursuant to or diminishing Fe interests, or rights waters of the State. c sion of Federal or Sta

SEC. 1036. CREDIT FOR

Within 24 moni Act, the Cape Fox right, title, and inter that includes Beave United States as part

SEC. 1037. RADIO SITE

The Secretary c days from the date o of Inspiration Point, mination whether th on the site is in the with the reasons the Resources, United St House of Representa period which causes of the antenna from t

TITLE XI— ENVIRON

SEC. 1101. PROGRAM I

(a) AUTHORIZATI years 1998, 1999, an an additional \$143,30

(1) the initi implementing th the Bay-Delta,

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(2) the initi implementing th term CALFED

sharing agree

Sec. 29.10.200. Limitation of home rule powers.

Only the following provisions of this title apply to home rule municipalities as prohibitions on acting otherwise than as provided. These provisions supersede existing and prohibit future home rule enactments that provide otherwise:

- (1) AS 29.05.140 (transition);
- (2) AS 29.06.010 (change of municipal name);
- (3) AS 29.06.040 - 29.06.060 (annexation and detachment);
- (4) AS 29.06.090 - 29.06.170 (merger and consolidation);
- (5) AS 29.06.190 - 29.06.420 (unification of municipalities);
- (6) AS 29.06.450 - 29.06.530 (dissolution);
- (7) AS 29.10.100 (charter amendment);
- (8) AS 29.20.010 (conflict of interest);
- (9) AS 29.20.020 (meetings public);
- (10) AS 29.20.050 (legislative power);
- (11) AS 29.20.060 - 29.20.120 (assembly composition and apportionment);
- (12) AS 29.20.140 (qualifications of members of governing bodies);
- (13) AS 29.20.150 (term of office);
- (14) AS 29.20.220 (executive power);
- (15) AS 29.20.270(e) (ordinance veto by mayor);
- (16) AS 29.20.630 (prohibited discrimination);
- (17) AS 29.20.640 (reports);
- (18) AS 29.25.010(a)(10) (municipal exemption on contractor bond requirements);
- (19) AS 29.25.050 (codification);
- (20) AS 29.25.060 (resolutions);
- (21) AS 29.26.030 (notice of elections);
- (22) AS 29.26.050 (voter qualification);
- (23) AS 29.26.250 - 29.26.360 (recall);
- (24) AS 29.35.020 (extraterritorial jurisdiction);
- (25) AS 29.35.030 (eminent domain);
- (26) AS 29.35.050 (garbage and solid waste services);
- (27) AS 29.35.055 (local air quality control program);
- (28) AS 29.35.060 (franchises and permits);
- (29) AS 29.35.070 (public utilities);
- (30) AS 29.35.080 (alcoholic beverages);
- (31) AS 29.35.120 (post audit);
- (32) AS 29.35.131 (enhanced 911 system);
- (33) AS 29.35.145 (regulation of firearms);
- (34) AS 29.35.160 (education);
- (35) AS 29.35.170(b) (assessment and collection of taxes);
- (36) AS 29.35.180(b) (land use regulation);
- (37) AS 29.35.250 (cities inside boroughs);
- (38) AS 29.35.260 (cities outside boroughs);
- (39) AS 29.35.340 (acquisition of areawide power);
- (40) AS 29.35.500 - 29.35.590 (hazardous materials and wastes);
- (41) AS 29.40.160(a) - (c) (title to vacated areas);
- (42) AS 29.40.200 (subdivisions of state land);

- (43) AS 29.45.010 - 29.45.570 (property taxes);
- (44) AS 29.45.650(c), (d), (e), and (f) (sales and use tax);
- (45) AS 29.45.700(d) (sales and use tax);
- (46) AS 29.47.200(b) (security for bonds);
- (47) AS 29.47.260 (construction);
- (48) AS 29.47.470 (air carriers);
- (49) AS 29.60.050(a) (limitation on computation and use of payment);
- (50) AS 29.60.120(a) and (c) (state aid for health facilities and hospitals);
- (51) AS 29.65 (general grant land);
- (52) AS 29.71.040 (procurement preference for state agricultural and fisheries products);
- (53) AS 29.71.050 (procurement preference for recycled Alaska products).

History -

(sec. 6 ch 74 SLA 1985; am sec. 1, 2 ch 38 SLA 1986; am sec. 6 ch 70 SLA 1986; am sec. 12 ch 80 SLA 1986; am sec. 3 ch 108 SLA 1986; am sec. 49 ch 14 SLA 1987; am sec. 1 ch 30 SLA 1988; am sec. 2 ch 63 SLA 1988; am sec. 1 ch 64 SLA 1988; am sec. 3 ch 57 SLA 1993; am sec. 5 ch 74 SLA 1993; am sec. 1 ch 29 SLA 1994)

Revisors Notes -

Reorganized in 1986 to restore numerical order to the referenced provisions. Paragraph (53) was enacted as (49) and renumbered as (50) in 1988, (52) in 1993, and again in 1994. Paragraphs (27) and (32) were each enacted as (51) and renumbered in 1993. Paragraph (48) was enacted as (53) and renumbered in 1994.

Amendment Notes -

The first 1993 amendment, effective June 9, 1993, added paragraph (32).

The second 1993 amendment, effective June 26, 1993, added paragraph (27).

The 1994 amendment, effective May 8, 1994, added present paragraph (48).

Decisions -

For discussion of constitutional limitation on home-rule powers, - see *Jefferson v. State*, 527 P.2d 37 (Alaska 1974), decided under former, similar law.

Eligibility of city officeholder for appointment to salaried position. - Home rule charter section which prohibited a person who holds or has held an elective city office from being eligible for appointment to an office or for employment for which a salary is paid by the city until one year has elapsed following the term for which he was elected or appointed, unless an exception is made with the approval of four or more members of the city council, was not preempted by former AS 29.23.555 (now see AS 29.20.010) since the charter also contained a section prohibiting members of the city council from voting on matters in which they have a pecuniary interest. *Acevedo v. City of N. Pole*, 672 P.2d 130 (Alaska 1983), decided under former, similar law.

Applicability of former AS 29.48.130. - Former AS 29.48.130, which required municipalities to perform certain actions by ordinance - including the making of appropriations - was not one of the provisions designated applicable to home rule municipalities in this section. *Municipality of Anchorage v. Frohne*, 568 P.2d 3 (Alaska 1977), decided under former, similar law.

Application to franchise agreements. - This section applies only to home rule enactments; it does not apply to franchise agreements, even though the agreements may have originated in the form of municipal ordinances, since once they are granted such agreements are contracts binding

on both parties. *B-C Cable Co. v. City & Borough of Juneau*, 613 P.2d 616 (Alaska 1980),
decided under former, similar law.

Stated in *Keane v. Local Boundary Comm'n*, 893 P.2d 1239 (Alaska 1995).

Sec. 29.25.050. Codification.

(a) Each ordinance shall be codified after it is adopted.

(b) Within three years after incorporation of a municipality, the municipal clerk or the clerk's designee shall have prepared a general codification of all municipal ordinances of general applicability having the force and effect of law. The municipal code shall be revised and printed at least every five years, unless the code is kept current by regular supplements.

(c) In (a) of this section, "codified" means

(1) the ordinance has been given a serial number or other permanent identifying number, and, bearing a notation of the date of adoption and the adopting authority, it has been entered by the municipal clerk in a properly indexed book maintained for the purposes of organizing and recording the ordinances; or

(2) the ordinance is a provision that establishes a rule of conduct or behavior and that is included, or to be included, in a code of ordinances or other complete system of law enacted and kept current at reasonable intervals.

(d) This section applies to home rule and general law municipalities.

History -

(sec. 8 ch 74 SLA 1985)

AG Opinions -

To have met the minimum codification requirements of a former, similar provision municipal ordinances should have been topically arranged under a logical and systematic set of chapters and subchapters. There should have been a table of contents, an index, and a system of cross-referencing. The code, to have been useful, must have had a current supplement which indicated all additions, amendments, and repeals. Periodically the additions and changes noted in the supplement should have been incorporated into the main body of the code. These were minimum requirements. Nothing prevented a municipality from developing a more elaborate and sophisticated code. 1966 Op. Att'y Gen. No. 6.

Sec. 29.03.010. Establishment.

Areas of the state that are not within the boundaries of an organized borough constitute a single unorganized borough.

History -

(sec. 2 ch 118 SLA 1972)

Cross References -

For studies of the feasibility of establishing boroughs in the unorganized borough, see AS 44.47.700 - 44.47.730.

Decisions -

Quoted in *Mobil Oil Corp. v. Local Boundary Comm'n*, 518 P.2d 92 (Alaska 1974).
Stated in *United States v. Pleier*, 849 F. Supp. 1321 (D. Alaska 1994).

Sec. 29.04.010. Home rule.

A home rule municipality is a municipal corporation and political subdivision. It is a city or a borough that has adopted a home rule charter, or it is a unified municipality. A home rule municipality has all legislative powers not prohibited by law or charter.

History -

(sec. 3 ch 74 SLA 1985)

Decisions -

"Local activity rule". - Under a former, similar provision, the "local activity rule" was found to be an expedient method for resolving an impasse between state statutes which seek to further a specific policy and municipal ordinances which either directly or collaterally impede this implementation. Conflicts between state statutes and municipal ordinances generally were modulated by ruling in favor of the statutes. *Chugach Elec. Ass'n v. City of Anchorage*, 476 P.2d 115 (Alaska 1970).

A parallel provision - to Alaska Const., art. X, sec. 11, was found in former AS 29.05.020, a similar provision. *City of Fairbanks v. Schrock*, 457 P.2d 242 (Alaska 1969).

Cited in *Keane v. Local Boundary Comm'n*, 893 P.2d 1239 (Alaska 1995).

Collateral Refs -

56 Am. Jur. 2d, *Municipal Corporations, Counties, and Other Political Subdivisions*, sec. 98-138.

62 C.J.S., *Municipal Corporations*, sec. 3, 4, 13, 187.

Sec. 29.04.020. General law.

A general law municipality is a municipal corporation and political subdivision and is an unchartered borough or city. It has legislative powers conferred by law.

History -

(sec. 3 ch 74 SLA 1985)

Decisions -

Cited in *Kenai Peninsula Borough v. State, Dep't of Community & Regional Affairs*, 751 P.2d 14 (Alaska 1988).

Sec. 29.04.030. Classes of general law.

General law municipalities are of five classes:

- (1) first class boroughs;
- (2) second class boroughs;
- (3) third class boroughs;
- (4) first class cities;
- (5) second class cities.

History -

(sec. 3 ch 74 SLA 1985)

Decisions -

The statutory term "town" - has no technical meaning since under this title, which treats municipal government, incorporated municipalities may be either boroughs or cities, but not towns. *Dalton v. Interior Credit Bureau, Inc.*, 615 P.2d 631 (Alaska 1980), decided under former, similar law.

Cited in *Kenai Peninsula Borough v. State, Dep't of Community & Regional Affairs*, 751 P.2d 14 (Alaska 1988).

Article Notes -

Collateral References.- 73 Am. Jur. 2d, Statutes, sec. 342-373.
82 C.J.S., Statutes, sec. 399-440.

Sec. 01.10.070. Time statutes become law and take effect.

(a) All bills passed by the legislature become law upon the governor's signature or upon the governor's veto being overridden or, when the governor allows a bill to become law without signature, on the day after expiration of the period allowed for gubernatorial action by art. II, sec. 17 of the Alaska Constitution. Acts become effective 90 days after becoming law, unless the legislature, by concurrence of two-thirds of the membership of each house, provides for another effective date.

(b) The actual effective date of an Act having no effective-date provision is determined by starting with the day after it is signed by the governor or the day after the governor's veto is overridden or the day after expiration of the period allowed for gubernatorial action by art. II, sec. 17 of the Alaska Constitution, and counting 90 calendar days, the Act becoming effective at 12:01 a.m., Alaska Standard Time on the 90th day.

(c) The actual effective date and time of an Act having an immediate-effective-date provision is 12:01 a.m., Alaska Standard Time, on the day after it is signed by the governor or on the day after the governor's veto is overridden or on the day after expiration of the period allowed for gubernatorial action by art. II, sec. 17 of the Alaska Constitution.

(d) An Act which specifies a definite effective date becomes effective at 12:01 a.m., Alaska Standard Time on the date specified.

(e) When the governor allows a bill to become law without signature, the governor shall give written notice of that fact to the legislature. The date of this notice does not affect the date the bill becomes law or the date the Act takes effect.

(f) In this section

(1) "Act" means a bill which has become law;

(2) "bill" means a legislative document proposing an Act;

(3) "becomes effective" means becomes applicable; "effective date" does not mean date of enactment (or date of becoming law), although the two will coincide when a bill which has an immediate-effective-date provision is allowed to become law without the governor's signature;

(4) "becomes law" means is enacted; "enactment" occurs when any one of the following takes place:

(A) a bill which is passed by the legislature is signed by the governor;

(B) the period specified in art. II, sec. 17 of the Alaska Constitution expires without gubernatorial action;

(C) the legislature overrides the governor's veto of a bill;

(5) "passed by the legislature" means that the required majority of each house of the legislature has taken final action in approving the same version of a bill.

History -

(sec. 5 ch 62 SLA 1962; am sec. 8 ch 126 SLA 1966; am sec. 1 ch 115 SLA 1974; am sec. 1 - 3 ch 6 SLA 1984)

History Reports -

For an analysis of the amendment of this section by ch. 115, SLA 1974 (HB 758 am), see 1974 House Journal, 562-565.

Decisions -

Applied in *Atlantic Richfield Co. v. State*, 705 P.2d 418 (Alaska 1985).

Stated in *Rowe v. Burton*, 984 F. Supp. 1372 (D. Alaska 1994).

Cited in *North Slope Borough v. Sohio Petroleum Corp.*, 585 P.2d 534 (Alaska 1978).



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Congressional Research Service Report for Congress

PILT (Payments in Lieu of Taxes): Somewhat Simplified

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SUMMARY

Under current law, local governments are compensated through various programs for losses to their tax bases due to the presence of most federally owned land. Some of these programs are run by specific agencies, and apply only to that agency's land. The most widely applicable program, while run by the Bureau of Land Management (BLM), applies to many types of federally owned land, and is called "Payments in Lieu of Taxes" or PILT. The level of payments is calculated under a complex formula.

There have been two chief issues concerning PILT. One is that the fixed value of the payments was undeniably eroded due to inflation since the program was created in 1976. Consequently, these local governments (primarily counties) sought an increase in the payment levels, which was granted in 1994 by an amendment to the existing law. Opponents of the amendment countered that if the increased authorization is appropriated, it will exacerbate the Federal deficit, and that corresponding budget cuts or increases in revenues will be needed to pay for the changes.

The second issue is the equity of the PILT formula. Some argue that some counties are compensated too well while others receive too low a payment. This assertion turns on the standard of comparison: payment level per capita, the tax value of the land if it were in private ownership, the direct and indirect benefits the county received from the presence of Federal land, etc. Payments often differ markedly (higher or lower) from amounts that would be paid if the lands were simply taxed at fair market value. Counties were largely united in welcoming the PILT payments increase, but any changes in the formula obviously would create new winners and losers and thus less unanimity.

This paper explains PILT payments as simply as possible. It also briefly outlines some of the changes to the existing law, enacted in 1994.

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PILT (PAYMENTS IN LIEU OF TAXES): SOMEWHAT SIMPLIFIED (1)

INTRODUCTION

Generally, Federal lands may not be taxed by State or local governments unless authorized by Congress. Instead of authorizing taxation, Congress has usually chosen to authorize various payment programs designed to make up for the lost tax revenue. These programs take various forms. Many are attached to the lands of a particular agency (e.g., the National Forest System, or the National Wildlife Refuge System). The most wide-ranging payment program is called the "Payment in Lieu of Taxes" or PILT. It is administered by the Bureau of Land Management (BLM) and affects most Federal lands.

Local governments are compensated for certain Federal lands within their boundaries under the Payment in Lieu of Taxes Act of 1976 (P. L. 94-565, 31 U.S.C. 6901-6907). These payments may be used by local governments for any governmental purpose. The program was created to recognize that the inability of local governments to tax the property values or products derived from these Federal lands may have a damaging even severe impact on local tax bases. Since the creation of the program, there have been complaints about payment levels, the failure of the program to include certain categories of land, and, more recently, the erosion of payment values due to inflation. (See figure 1.)

Many critics cite examples of what they view as the quirkiness of PILT: (a) while acquired lands of the National Forest System and Wildlife Service (FWS) are not eligible for PILT, there is no distinction between acquired and public domain lands for other categories of eligible lands--to the consternation of many States in the East and Midwest where nearly all FWS lands are acquired; (b) some of the counties that receive large payments are very wealthy, while some of the counties receiving little are very poor; (c) a few counties which receive large payments from revenue-sharing programs because of valuable timber, mining, recreation, and other uses of the lands, nonetheless are also authorized to receive 22¢/acre (2) in addition from PILT; and (d) in some counties, the PILT payment greatly exceeds the amount that the county would receive if the land were sold at a fair market value, while in others, it is much less. Given the complexity of Federal land management programs, it is hard to imagine a payment system that all parties would consider adequate, or even equitable, particularly in an era of shrinking Federal budgets. The 1994 amendment to PILT (P. L. 103-397) does little or nothing to change the relative rankings of winners and losers under the current formula. Rather, it focuses on incre

the total payments, building in inflation protection, and making certain additional categories of land eligible.

HOW PILT WORKS

Several categories of Federal land are eligible for PILT payments: (3)

1. Lands in the National Park System;
2. Lands in the National Forest System;
3. Lands administered by the Bureau of Land Management;
4. Lands dedicated to the use of Federal water resources development projects;
5. Dredge disposal areas under the jurisdiction of the U.S. Army Corps of Engineers;
6. National Wildlife Reserve Areas withdrawn from the public domain;
7. Land located in the vicinity of Purgatory River Canyon and Pinon Canyon, Colorado, that was acquired after December 31, 1981, to expand the Fort Carson military reservation;
8. Lands on which are located semi-active or inactive Army installations used for mobilization and for reserve component training;
9. Land acquired from a private party to be donated to the United States within eight years;
10. Eligible Federal land acquired by a State through an exchange; and
11. Lands in Utah acquired by the United States if they were eligible for payment in lieu of taxes from that State.

Under this Act, calculating a county's payment first requires answering several questions:

1. What is the population of the county?
2. How many acres of eligible lands are in the county?
3. What was the *previous* year's payment for eligible land, if any, under the other payment programs of Federal agencies for these lands? (4)

The law contains a table which sets the maximum payment a county may receive based on population. The relationship between the population and the ceiling is not linear. (See "FY1999 ceiling" in figure 5.) For example, a jurisdiction with a population of 1,000 people will not receive a PILT payment for over \$110,000 (\$110 per person); a jurisdiction with a population of 30,000 will not receive a payment over \$1,650,000 (\$55 per person). No local government will receive a PILT payment over \$2,200,000 regardless of population.

Knowing these three answers, one then makes two comparisons. (For a flow chart of the steps used in calculating PILT payments, see figure 2.)

- a. Which is *less*: the county's eligible acreage times 22¢ per acre or the county's ceiling? Pick the lesser of these two.
- b. Which is *less*: the county's eligible acreage times \$1.65 per acre or the county's ceiling payment? Pick the lesser of these two and from it subtract the previous year's total payments for these eligible lands under other payment or revenue-sharing programs of the agencies that control the land. (5)

The county is eligible to receive whichever of the above calculations ((a) or (b)) is *greater*. Both the 22¢ and the \$1.65 figures are established in the law, as amended in 1994. In 1978, about 80 percent of the eligible counties were aided under the standard provision. (6)

Funding for the PILT program is annually appropriated. Until recently, the amount needed under the law's formula has generally been appropriated, with a few exceptions, such as sequestration under the Gramm-Rudman-Hollings Act in FY1987. In the last few years, very minor decreases below the full amount have been appropriated, reflecting either across the board reductions in the Interior and Related Agencies Appropriations Act, or general attempts at deficit reduction by the Appropriations Committees. (See figure 3; data based on annual BLM budget documents.) If, for example, the appropriation is 98 percent of the full amount, then each county would be paid 98 percent of the formula amount.

The combination of other Federal payments and PILT means that reductions (or increases) in those other payments (e.g., the Refuge Revenue Sharing Fund (16 U.S.C. 715s) of FWS, or the Payments to States from the National Forest Fund (16 U.S.C. 500)) in the previous year could be exactly offset by increases (or reductions) in PILT payments. However, PILT payments cannot fall below 22¢ per acre (see step (a), above), so the full offset occurs only when the total Federal payments in the previous year are less than \$1.43 per acre (i.e., less than the standard \$1.65 per acre minus the 22¢ per acre minimum). (7) Figure 4 illustrates the relationship of PILT payments to the previous year's payments by the land managing agency (or agencies).

The offset between other Federal payments and PILT payments does not guarantee a constant level of Federal payments to counties, because of the time lag in determining PILT payments (see step (b), above). Federal payments for a given fiscal year are based on the receipts of the previous year. PILT payments of the following fiscal year are offset by these payments.

For example, if receipts on FWS lands in a specific county are low in FY1997, then (assuming there are no other eligible lands in the county to complicate matters) payments under the Refuge Revenue Sharing Fund (RRSF) will fall in FY1998, but PILT payments will be increased in PY1999 to offset the drop, if payment is calculated under (b). The counties will receive at least \$1.65 per acre from RRSF and PILT payments combined, (8) but the two payments would not come in the same year. Consequently, if RRSF payments are falling, the combined payments in the given year may be less than \$1.65 per acre, but if RRSF payments are rising, the combined payment in the given year is more than \$1.65 per acre.

PILT PASS-THROUGH TO SCHOOL DISTRICTS

States may have laws that allow counties to increase their payments above the calculated amount described above if they are paid under the formula which deducts their prior year payments from other agencies. According to the BLM: (9)

Only the amount of Federal land payments actually received by units of government in the prior fiscal year are deducted. If a unit of government receives a Federal land payment, but is required by State law to pass all or part of this payment to financially and politically independent school districts, or other single or special purpose district, such redistributed payments are considered to have not been received by the unit of local government and are not deducted from the section 1 in-lieu payment. The amounts to be deducted are reported to the Bureau of Land Management each year by the Governor of each State or his delegate.

Thus, if a State requires all counties to pass along some or all of their RRSF payments to the local school board(s), for example, the amount passed along is not deducted from the counties' PILT payments for the following year (31 U.S.C. 6907). Consequently, the feature of PILT which acts to even out payments among counties (at least of equal population size) may be avoided if the State takes advantage of this pass-through feature. Under 31 U.S.C. 6903(b)(2), the Governor of each State gives the Secretary of the Interior an annual statement on the amounts actually paid to each county under the relevant agencies' payment laws. (10)

For example, if two counties of equal population in two States are each owed \$2,000 under the Payments to States of the Forest Service (FS), and State #1 requires the payment to be given to the local school board, but State #2 does not, then under this provision, the PILT payment to the county in State #2 will be reduced by \$2000 in the following year, but no such deduction will occur for the county in State #1.

PILT FUNDING LEVELS: A HISTORY OF CONSTANCY

As shown in figure 3, the amounts estimated for full payment to States has been remarkably constant for at least 15 years. Three factors are major influences on PILT's spending levels, but other factors cannot be ruled out. The first factor tends to flatten demands on PILT from year to year, the second causes demands to fluctuate, and the third causes them to rise slightly.

First, BLM might consistently request amounts above projected payment needs. It could then deal with

fluctuations in those needs simply by returning the unexpended balance to the Treasury. For FY1988, for example, \$105,000,000 was appropriated: \$104,074,000 was paid to State and local governments; the agency spent \$277,000 in various administrative expenses. (The law limits these administrative expenses to \$400,000.) The result was a \$649,000 unobligated balance lapsing to the Treasury at the end of that fiscal year. In general, these lapsing balances have been less than 1 percent of the appropriation. As table 1 shows, the amounts returned (and therefore also the amounts spent) are surprisingly constant.

Second, receipts from revenue sharing programs for lands covered by PILT have fluctuated markedly. For example, between FY1981 and FY1989, receipts deposited in the National Forest Fund from timber sales and nearly all other national forest income, ranged from \$391 million to \$1.2 billion (in 1993 dollars). (11) Other agencies have also had fluctuating receipts. These changes should affect PILT payment levels, since most counties are paid under the formula which requires the subtraction of the payments of other agencies in the previous year.

Third, more States may pass laws which require payments under various agencies' programs to be given to school boards or other units of local government. The effect of such laws, as noted above, is to raise PILT payments to higher levels.

Given these influences, PILT payment requirements have been surprisingly steady (see figure 3) over the last 10 years, as have congressional appropriations to meet those requirements. (12) The constancy of PILT's payment requirements remains unexplained, and contrasts markedly with the fluctuations in appropriations and payments under some of the payment programs which underlie PILT, such as BLM's Payments to Counties or the Forest Service's Payments to States. PILT payments largely depend on the payment formulas of these other agencies (e.g., Army Corps of Engineers, FWS, and FS), and in many cases, these payments may vary widely depending on timber sales and prices, energy revenues, etc. This flat level is not explained in BLM budget submissions.

Table 1. PILT's Unobligated Balances
Lapsing to the Treasury, FY1979-1993 (x \$1,000) (13)

Fiscal Year	Unobligated Balance
1979	94
1980	708
1981	41
1982	367
1983	622
1984	254
1985	393
1986	298
1987	301
1988	649
1989	848
1990	2,069
1991	3,234
1992	3,832
1993	320

THE 1994 AMENDMENT TO PILT

The 1976 PILT law established the minimum and standard payment rates at 10¢/acre and 75¢/acre, respectively. The 1994 amendment, in response to the declining values of PILT payments due to inflation, makes provisions for increases in population ceilings and payment rates (see figures 5 and 6). These increases, effective October 1, 1994, are to be phased-in over a five-year period (see table 2). The amendment further states that on each October 1 after 1999, all payment rates and ceilings will be adjusted to reflect changes in the Consumer Price Index, published by the Bureau of Labor Statistics of the Department of Labor for the 12 months ending the preceding June 30th (31 U.S.C. 6903(d)). This will allow the payments to retain their value regardless of inflationary trends.

Table 2. Scheduled Payment Rate Increases from FY1995-1999

Fiscal Year	Minimum Rate (\$/acre)	Standard Rate (\$/acre)
1995	0.12	0.93
1996	0.15	1.11
1997	0.17	1.29
1998	0.20	1.47
1999	0.22	1.65

As set forth in the amendment, three new categories of land are now eligible for PILT payments. These include lands which are privately transferred to a State or county provided they will be donated to the Federal Government within eight years, eligible PILT land acquired by a State from the Federal Government, and certain lands in Utah.

POSSIBLE SOURCES OF FUNDING

The 1994 amendment does not provide a new funding source for One program, which still relies on annual appropriations from the General Treasury. Lacking any additional revenue sources, the amendment likely faces serious difficulties in realizing these authorization levels in the appropriations process, given pressures to reduce the deficits. There are, however, some obvious possible sources of funds among a variety of public lands bills designed to reform the practices of land-managing agencies. For example, many proposals to change grazing fees, mining law, and other commercial uses of public lands, as well as to charge fees for public lands recreation, might be crafted so as to funnel some portion of the new revenues from these changes into PILT payments. Leaving aside the intrinsic merits or demerits of these proposals, such a procedure would have an obvious serendipity: those States where larger payments are being gathered would likely approximate those States benefitting from higher PILT payments.

Additionally, the authorization levels may be met by otherwise offsetting reductions in the remainder of the Federal discretionary budget. A third alternative is simply to increase the Federal deficit if a source of funds is not found.

Endnotes

1. Under the supervision of M. Lynne Corn, Jennifer Sekula, B.Sc. (College of William and Mary), researched and contributed to a revision of this report.
2. This and all subsequent references to payment rates and ceilings are based on FY1999 figures, enacted in 1994, unless otherwise noted.
3. See 31 U.S.C. 6903(a)(1). This law refers to these eleven categories of lands as "entitlement lands", and the term is used throughout the Act. However, because entitlement is a word which is used in a

very different, and potentially confusing, context in the congressional budget process, these lands will be called "eligible lands in this paper. This paper omits consideration of payments under 31 U.S.C. 6904-6905, which involve temporary compensation for lands recently designated as wilderness, and for certain lands around Redwood National Park and Lake Tahoe.

4. There is only one PILT payment for all of the eligible Federal land in any given county. The formula in 31 U.S.C. 6903 actually sets a cap on the total PILT payment for all of the eligible land in the county, whether under FWS, FS, BLM, NPS, or any other agency.
5. The amount of the payments for the previous year to each local government is reported by each state to BLM.
6. Advisory Commission on Intergovernmental Relations. *The Adequacy of Federal Compensation to Local Governments for Tax Exempt Federal Lands*. Washington DC. July 1978. p. 6.
7. For those who find this convoluted statement obscure, imagine each county as a large bucket, marked off in "\$/acre." PILT, in effect, checks the level already in the bucket, then adds at least enough money to the bucket to bring it to the \$1.65/acre mark. Moreover, if the bucket is already above the \$1.43/acre mark, PILT adds 22¢/acre, regardless of whatever may be in the bucket already. The money bucket could reach levels of \$15 or more, with the last 22 cents added by PILT. The county ceilings might then be thought of as cracks in the sides of some of the buckets that prevent them from filling beyond a certain level.
8. An exception would occur if the county's population is so small that the county is affected by the PILT ceiling on payments due to population.
9. U. S. Dept. of the Interior, Bureau of Land Management, Division of Finance. *Payments in Lieu of Taxes, Fiscal Year 1993*. p. 3.
10. There is no monitoring or verification of these reports, nor does BLM have any records of which States have pass-through laws for any payment programs. The very low ceilings set in the law for administering PILT are said not to permit field audits.
11. Cited in U.S. Library of Congress. Congressional Research Service. *National Forest Receipts: Sources and Dispositions*. [by] Ross W. Gorte. CRS Rept. No. 89-284. 1989. p. 6. It is on these receipts that Forest Service revenue-sharing programs are calculated.
12. After adjustment for inflation, the payment levels have been declining.
13. Bureau of Land Management. Taken from annual reports of U.S. Treasury, Standard Form 2108.

2125 Second Avenue
Ketchikan, Alaska 99901
March 31, 1997

RECEIVED

APR 1 1997

Ans d.....

Senator Mike Miller
Alaska State Legislature
Juneau

Dear Senator Miller.

As a retired Women's Health Care Nurse Practitioner may I suggest that sensitive issues such as pregnancy termination be left to professionals and not politicians. In none of my textbooks have I ever seen the words partial birth abortion. This is a term instigated by anti-choice people. Such terms and pencils with erasures in the form of a fetus which are being distributed to school children are all part of the anti-choice agenda.

The Republican controlled legislature should pause to consider that Finland has the lowest teen pregnancy rate in the world where all women have access to family planning and where abortion is legal.

I have been a school nurse and my experience has been that sexuality is a taboo subject to some parents. The legislature should be considering increasing funds for contraception state wide to include sex education in schools and mandating private health insurance coverage to cover contraception supplies. Eventually it will reduce the welfare roles which (welfare) is so opposed by the Republicans state and nationally.

May I suggest you introduce legislation requiring all Alaska males who do not pay child support be required to have a vasectomy. After all if the legislature in its wisdom knows what's best for Alaska women surely they would want to consider this cost saving measure which is part of the Republican agenda.

Sincerely,



Elinore J Jacobsen, A.N.P. R.N.C
Retired

cc: Senator Green, Wara, Mackie, Duncan

AUL STATELINE

A Resource for
Pro-Life Legislators
from Americans
United for Life

RECEIVED

MAR 2 1997

Ans'd.....

WINTER 1997

In the January 1997 issue of the *New England Journal of Medicine (NEJM)*, Melbye et al. published a study, "Induced abortion and the risk of breast cancer". Incredibly, Melbye concludes that induced abortions have no overall effect on the risk of breast cancer. Joel Brind, Ph.D., lead author of a comprehensive review of the worldwide literature on the abortion-breast cancer (ABC) link — published in the *Journal of Epidemiology and Community Health* (October 1996) — deconstructed the Melbye study and responded:

Ten studies out of 11 on American women have shown increased ABC risk. This fact alone belies Melbye's claim that the issue is settled. The Melbye study uses inappropriate statistical methodology, and literally factors out any effect of the very factor it purports to be examining, thus guaranteeing a null result which is completely invalid. I am convinced that a proper analysis of the data from Denmark will, in fact, reveal a substantial, significantly elevated risk for breast cancer among Danish women who have had any induced abortions. A letter to this effect has already been accepted for publication in the *NEJM*.

The Perspective on the Danish Study (10 pages and 2 pictorial graphs) is available from AUL for a \$5.00 contribution for handling and mailing. The updated ABC Act Legislation Guide is available for \$7.50.

- The South Dakota legislature passed HB 1087, which provides for notification of both parents of girls under 18 considering an abortion. It also includes a judicial bypass that promotes confidentiality and expeditious hearings. The bill now goes to Gov. Janklow for his consideration. This bill would replace a 1993 parental-notification law without a judicial bypass that was overturned by a U.S. district judge.
- The Virginia legislature passed SB 1148 which provides that one parent must be notified at least 24 hours before a young woman's abortion. It has a judicial bypass and a medical emergency exception. Gov. Allen has indicated that he will sign this bill on March 22.
- The Virginia legislature also passed SB 495, which classifies the aggravated malicious wounding of a pregnant woman as a felony. The involuntary termination of her pregnancy is classified as such an injury. The bill now goes to Gov. Allen for his consideration.
- At least 25 states have introduced legislation to ban the partial-birth abortion procedure, including:
 - South Dakota — the first state to enact a ban.
 - Mississippi — also enacted the ban.
 - South Carolina — approved by the legislature. The bill now goes to Gov. Beasley for his consideration.
 - Arkansas, Montana, Oklahoma, and Virginia — passed by the House.
 - Illinois and New York — passed by the Senate.
- The Virginia House passed HB 1629, a woman's right to know bill, that provides for the same informed consent as required in other surgical procedures. The bill was killed in a Senate committee.



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**DEPARTMENT OF COMMUNITY AND
REGIONAL AFFAIRS**

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April 7, 1997

The Honorable Lyda Green
Senator
Alaska State Senate
State Capitol
Juneau, AK 99801

RECEIVED
APR 21 1997
AKS G.

Dear Senator Green:

The Senate State Affairs Committee will soon be hearing House Bill 86. Payments in Lieu of Taxes (PILT) for Cities in the Unorganized Borough. This Bill provides the mechanism for the State of Alaska to implement Senator Stevens' recent amendments to the federal PILT law to allow cities in Alaska's unorganized borough to receive a federal payment. Historically, only the organized boroughs in the State were determined eligible for funding. For your review and consideration, I have assembled the following information regarding this important legislation for Alaska's cities:

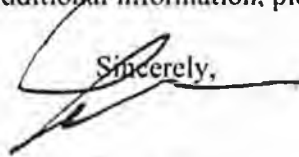
- Memo dated January 31, 1997, to bill sponsor Representative Ivan Ivan
- Spreadsheet showing potential PILT payments to Alaska's cities under HB 86's per-capita funding formula
- Maps of Alaska's federal census areas
- Letter dated February 26, 1997, from Senator Stevens to Governor Knowles.

We support House Bill 86 because it:

- implements Senator Stevens' intent to treat the funds as direct "pass-through" payments to Alaska's cities,
- fulfills Senator Stevens stated purpose that these funds supplement rather than replace current funding provided to the cities by government,
- improves the financial health of the cities and, consequently, their ability to remain solvent,
- acts as an incentive for cities to incorporate and a disincentive for cities to dissolve,
- provides needed funds for basic public services, and
- can be administered by the Department at no additional cost to the State.

Should you have any questions or need additional information, please feel free to call me at 465-4750.

Sincerely,



Lamar Cotten
Deputy Commissioner