

ALASKA LEGISLATURE COMMITTEE FILES 2001-2002 8672

10177 HOUSE COMMUNITY & REGIONAL AFFAIRS

HB

36

House Committees

Labor & Commerce
Military & Veterans Affairs
State Affairs
Regulation Review

Alaska State Legislature Representative Joe Hayes

119 N. Cushman, Ste. 205
Fairbanks, AK 99701
(907) 456-7423 / Fax: 451-9293

While in Juneau
State Capitol
Juneau, AK 99801-1182
(907) 465-3466 / Fax: 465-2937



Sponsor Statement

HB 36, Enterprise Zones

The idea of Enterprise Zones originated in England under Margaret Thatcher and was brought to the United States by the Reagan Administration. The basic idea is to stimulate the economy of depressed areas by offering incentives, such as tax breaks, to businesses. Enterprise zones have gained bipartisan support from lawmakers across the country. 38 states have passed enterprise zone legislation and in 1994 the Clinton Administration reshaped the Enterprise Zone idea into a federal program named Empowerment Zones/Enterprise Communities (EZ/EC).

The purpose of HB 36 is to help reinvigorate Alaska's depressed urban and rural areas. By providing incentives, businesses will be more likely to develop in a depressed area. This will in turn provide more jobs to the community, increase the average household income and, therefore, also the standard of living. Enterprise zones work and have been yielding promising results for nearly two decades.

Traditionally, enterprise zones rely on credits towards or exemptions from state taxes or fees. In Alaska, however, there is little in the way of state taxes. Therefore, in order to make the concept fit, HB 36 is based on local control. The backbone of the incentive package is the local options. The designation of an Enterprise Zone would authorize local communities to offer the incentive or incentives of choice from a short list: 1) reductions in permit or user fees, 2) credits on or exemption from property taxes, 3) flexibility in regulation and, 4) lease or sale of real property to private persons.

On top of authorizing greater flexibility in providing local economic development incentives, HB 36 would also establish statewide corporate income tax credits. The two statewide incentives are: 1) 15% of the initial investment would count as a credit towards state corporate income taxes, and 2) After one year of operation within an Enterprise Zone, a business could qualify for a corporate income tax credit of \$500 per new employee.

HB 36 will also help facilitate access to federal Grant money. Various Grant programs are available through the federal Department of Housing and Urban Development (HUD). Most notable are the Community Development Block Grants and the federal EZ/EC program.

The goal of HB 36 is to encourage business development and economic growth while providing new options to Alaskan communities to improve the quality of life. HB 36 will be good for economic development in Alaska. Please join me in supporting this bill.

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
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Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

January 24, 2001

SUBJECT: Sectional summary of HB 36 (Work Order No. 22-LS0294\A)

TO: Representative Joe Hayes

FROM:  Theresa L. Bannister
Legislative Counsel

You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents.

Section 1. Adds new sections in a new article dealing with enterprise zones.

Sec. 44.33.311. Authorizes the governor to designate up to four enterprise zones each year from a prioritized list. A designation lasts for 20 years.

Sec. 44.33.313. Lists the requirements for geographical areas to be eligible to be enterprise zones.

Sec. 44.33.315. Allows a borough, a unified municipality, and certain cities to apply to the Department of Community and Economic Development to have a geographical area designated an enterprise zone. Lists what information must be provided in the application.

Sec. 44.33.317. Limits to three the number of designated enterprise zones that may exist within a qualifying municipality at the same time.

Sec. 44.33.319. Lists the incentives that a qualifying municipality may identify in its application that it will provide to the area in the proposed zone.

Section 2. Adds the rest of the sections in the new enterprise zone article.

Sec. 44.33.321. Directs the department to verify the information and eligibility of areas proposed as enterprise zones. Directs the department to prioritize each year's applications according to certain listed items. Directs the department to use certain data from the latest completed U.S. census when determining the degree of economic distress of an

Representative Joe Hayes
January 24, 2001
Page 2

area. Directs the department to transmit the prioritized list to the governor each year. Allows the department to recommend to the governor and the legislature incentives for enterprise zones.

Sec. 44.33.323. Allows a qualifying municipality that submits an application for an area to be designated an enterprise zone to appeal to the commissioner a determination that the area is not eligible to be an enterprise zone, a denial of the application (for a reason other than a determination of ineligibility), and the priority given to the application. States that the commissioner's determination may be appealed to the superior court. Directs the department to adopt regulations that establish the procedure for the appeal to the commissioner.

Sec. 44.33.325. Directs the department to establish by regulation deadlines for the submittal, review, and other administrative handling of applications. Directs that the deadlines be compatible with the deadlines for grant applications under 42.U.S.C. 5318a.

Sec. 44.33.327. Allows the department to adopt other regulations to implement the enterprise zone article. Directs that department regulations required or authorized for this article must be adopted under the state's Administrative Procedure Act.

Sec. 44.33.329. Defines terms for the enterprise zone article.

Section 3. Amends the municipal code to allow a borough, a unified municipality, and certain cities to partially or totally exempt by ordinance from taxation the property in an enterprise zone or to provide tax credits on taxes due on property in an enterprise zone.

Section 4. Amends a subsection of the state's income tax chapter to state that the tax credit limitation imposed by the subsection does not apply to enterprise zone investment tax credits under sec. 43.20.046 or to tax credits for new business facility employees under sec. 43.20.047.

Section 5. Amends the state's income tax chapter by adding new sections to allow enterprise zone tax credits.

Sec. 43.20.046. Allows a taxpayer to apply against the taxpayer's tax liability for a tax year 15 percent of certain investments in a new business facility in an enterprise zone during the tax year. Prorates the tax credit if the taxpayer has not operated the new business facility for the entire tax year. Reduces the tax credit by a certain amount if the new business facility replaces another facility. Defines certain terms for the section.

Sec. 43.20.047. Allows a taxpayer who establishes a new business facility for at least one year in an enterprise zone to apply, as a tax credit for the first full income tax year of the new business facility, \$500 for each new business facility employee who works in the zone. Indicates how to calculate the number of new business facility employees that may be claimed for credit. Defines certain terms for the section.

Representative Joe Hayes
January 24, 2001
Page 3

Sec. 43.20.048. Defines certain terms for secs. 43.20.046 - 43.20.048.

Section 6. Adds implementation of the new enterprise zone article provisions to the department's duties.

Section 7. States that the bill's changes to the state's income tax chapter apply to tax years beginning on or after January 1, 2002.

If I may be of further assistance, please advise.

TLB:glc
01-051.glc



Councilman Scott Kawasaki
Fairbanks City Council
2008 Carr Avenue
Fairbanks, Alaska 99709-4211

H: (907)479-0262
F: (907)459-6710
E-mail: scott_kawasaki@hotmail.com

February 21, 2001

The Honorable Lesil McGuire, Chairman
Special Committee on Economic Development, Trade and Tourism
State Capitol Room 418
Juneau, Alaska 99801

Dear Representative McGuire:

I would like to voice my support for House Bill 36 relating to Enterprise Communities and Empowerment Zones sponsored by Representative Joe Hayes.

As a Councilman from the City of Fairbanks and a 20-year resident of the area, I have seen boom and stagnation, development and depression. The city is currently in a state of slow growth and I would entertain any feasible legislative support to allow us to encourage growth at the community and municipal level. I believe HB 36 can do this for us.

The principles of HB 36 are simple: give cities and municipalities more local control to govern their own tax structure and offer the incentives for growth and business development.

For instance, there are specific areas in the South Fairbanks business district that are impoverished, but have a great potential for future growth and industrial development. The area in South Fairbanks has all of the necessary utilities, large tracts of land with good soils and police and fire coverage, yet remains undeveloped. The ability to offer tax credits or exemptions from property taxes for this particular area could greatly promote growth.

I would encourage the passage of House Bill 36 from this committee.

Respectfully,

Councilman Scott J Kawasaki
City of Fairbanks

Proudly serving the citizens of the Golden Heart City

This stationery is paid for with personal funds. Not tax dollars or government funds were used in the production of this letterhead.



217 Second Street, Suite 200 • Juneau, Alaska 99801 • Tel (907)586-1325, Fax (907)-463-5480

February 21, 2001

Representative Joe Hayes
Alaska State House
State Capitol
Juneau, AK 99811

Dear Representative Hayes:

We are writing in support of HB 36, relating to the creation of enterprise zones. We believe passage of this legislation expands the list of tools available to the state and municipalities that could be used to facilitate urban renewal and encourage economic development in depressed areas of the state. As long as the formation of the enterprise zones remains a local option to be determined by the local community, we would encourage its passage.

We appreciate your taking a proactive role in offering an option to help communities find solutions to improve economic development. It is one of the top concerns of our membership.

If we can assist you further with this or any other municipal issue, please call on me.

Sincerely,



Kevin Ritchie
Executive Director

Cc: Land Use, Resources & Economic Development Committee

THE BOOK OF THE STATES

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**The Council of State Governments
Lexington, Kentucky**

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CRS Report for Congress

Received through the CRS Web

Empowerment Zone/Enterprise Communities Program: Overview of Rounds I, II & III

Bruce K. Mulock
Specialist in Business and Government
Government and Finance Division

Summary

In 1993, Congress set in motion a major economic development initiative designed to revitalize deteriorating urban and rural communities. The Empowerment Zone/Enterprise Communities (EZ/EC) program targeted federal grants for social services and community redevelopment, and provided tax and regulatory relief intended to attract and retain businesses in designated areas. It embraces a two-tier designation process. Originally, six urban and three rural areas were designated Empowerment Zones (EZs). They enjoy the bulk of the tax and grant incentives. An additional 60 urban and 30 rural areas were designated Enterprise Communities (ECs); they received a much smaller package of federal incentives.

In 1997, Congress created a Round II of the EZ/EC program, authorizing the designation of 20 additional EZs. Round II EZs were given a different mix of tax incentives. And, unlike the Round I EZs, the enabling legislation for Round II zones did not include Social Service Block Grant (SSBG) funding.

At the end of the post-election session, the 106th Congress passed legislation which included authorization for the Secretaries of HUD and Agriculture to designate nine additional EZs (seven urban and two rural) by January 1, 2001. The Consolidated Appropriations Act (P.L. 106-554) also included provisions that significantly effect Round I and Round II EZs. This report provides an overview of Rounds I and II of the EZ/EC program—including funding issues—as well as a summary of EZ-related provisions of P.L. 106-554. It will be updated as events warrant.

Background

Over the past half century, Congress has enacted a half dozen or more major economic development initiatives designed to revitalize some of the nation's more impoverished areas. Beginning with the Housing Act of 1949 which authorized loans and capital grants to help selected localities undertake so-called slum clearance and urban redevelopment, through the Model Cities program (1966) which sought to improve urban

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HB 36
 () Publish Date: _____

Revision Date/Time (Note if correction): 02/22/2001 9:24a.m. Dept. Affected: DCED
 Title: An Act relating to enterprise zones BRU: Comm.Asst & Econ.Dev
 Component: Community & Business Development
 Sponsor: Representative Hayes Component Number: 2486
 Requester: House EDT&T

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services	33.1	16.6	16.6	16.6	16.6	16.6
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	33.1	16.6	16.6	16.6	16.6	16.6

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	33.1	16.6	16.6	16.6	16.6	16.6
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	33.1	16.6	16.6	16.6	16.6	16.6

Estimate of any current year (FY2001) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2002 budget proposal:

POSITIONS

Full-time	0.50	0.25	0.25	0.25	0.25	0.25
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation would create a new state-administered program of enterprise zones. It requires that the department develop regulations to operate the program, including a formal application and appeals process. The department would be required to annually perform analyses to determine if applications met specific requirements laid out in the legislation. The department would then prioritize applications and make recommendations to the Governor and the Legislature regarding appropriate enterprise zone incentives.

These requirements represent significant administrative duties that cannot reasonably be absorbed by existing staff. The department estimates that the new administrative functions would require an additional Development Specialist II position (Range 20a) for half of the first program year (during regulation and application process development); and, for a fourth of subsequent years for general program administration

Prepared by: Pat Poland, Director Phone 907-269-4580
 Division: Community & Business Development Date/Time 02/22/2001 9:24a.m.
 Approved by: Commissioner Deborah B. Sedwick Date 2/22/2001
 Agency: Department of Community & Economic Development

For distribution information, call the Governor's Legislative Office

HB

118

House COMMUNITY & REGIONAL AFFAIRS Minutes



ALASKA STATE LEGISLATURE
HOUSE COMMUNITY AND REGIONAL AFFAIRS
STANDING COMMITTEE
February 22, 2001
8:04 a.m.

MEMBERS PRESENT

Representative Kevin Meyer, Co-Chair
Representative Carl Morgan, Co-Chair
Representative Andrew Halcro
Representative Drew Scalzi
Representative Lisa Murkowski
Representative Gretchen Guess
Representative Beth Kerttula

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

HOUSE BILL NO. 24

"An Act relating to use of certain borough revenues for a tourism marketing campaign."

- MOVED CSHB 24(EDT) OUT OF COMMITTEE

HOUSE BILL NO. 118

"An Act relating to a mandatory exemption from municipal taxes on certain residences; and providing for an effective date."

- MOVED HB 118 OUT OF COMMITTEE

PREVIOUS ACTION

BILL: HB 24

SHORT TITLE: BOROUGH REVENUES FOR TOURISM

SPONSOR(S): REPRESENTATIVE(S) WHITAKER

Jrn-Date	Jrn-Page		Action
01/08/01	0030	(H)	PREFILE RELEASED 12/29/00
01/08/01	0030	(H)	READ THE FIRST TIME - REFERRALS
01/08/01	0030	(H)	EDT, CRA
02/08/01		(H)	EDT AT 5:00 PM CAPITOL 124
02/08/01		(H)	Moved CSHB 24(EDT) Out of Committee
02/08/01		(H)	MINUTE(EDT)
02/12/01	0296	(H)	EDT RPT CS(EDT) WT 4DP 3NR
02/12/01	0296	(H)	DP: JAMES, DYSON, CRAWFORD, MCGUIRE;
02/12/01	0296	(H)	NR: MORGAN, MASEK, GREEN
02/12/01	0296	(H)	FN1: ZERO(CED)
02/21/01	0392	(H)	COSPONSOR(S): HALCRO
02/22/01		(H)	CRA AT 8:00 AM CAPITOL 124

BILL: HB 118

Alaska State Legislature

Representative Jim Whitaker
House of Representatives
District 31



Session
Capitol Building, Room 411
Juneau, Alaska 99801
Phone: (907) 465-3004
Fax: (907) 465-2070

Interim
119 N. Cushman St. Suite 213
Fairbanks, AK 99701
Phone: (907) 452-1088
Fax: (907) 452-1146

SPONSOR STATEMENT **HB 118**

Section 29.45.030(e) of Alaska statutes mandates an exemption from municipal property taxes for Alaska's senior citizens, disabled veterans, and widows and widowers who are at least 60 years of age.

While municipalities may allow a one time only filing for a non-senior residential property tax exemption, current Alaska statute requires the recipient of the senior citizen, disabled veteran and widow and widower's exemption to file an application each year in order to qualify. This mandate poses an undue hardship for many of Alaska's citizens; the old and the infirm; who are the least able to comply with a yearly filing requirement.

HB 118 allows each taxing municipality the authority to establish, by ordinance, local procedures for accepting applications for this exemption.

Alaska State Legislature

Representative Jim Whitaker

Session
Capitol Building, Room 411
Juneau, Alaska 99801
Phone: (907) 465-3004
Fax: (907) 465-2070



Interim
119 N. Cushman St., Suite 213
Fairbanks, AK 99701
Phone: (907) 452-1088
Fax: (907) 452-1146

Memorandum

To: Bill Lawrence and Lorali Meier, Committee Aides, CRA

From: Lori Backes

Re: HB 118, list of interested parties

Date: 2/9/61

Parties expressing an interest in the passage of HB118 include:

Bob Venhaus - Chair, State Legislative Committee, Alaska AARP, 907-346-1558
robert.venhaus@gci.net

Bill O'Dell - Member, State Legislative Committee, Alaska AARP, 907-479-6979

Harold Levey - Member, State Legislative Committee, Alaska AARP, 907-458-7161
hlevey4@gci.net

Denise Daniello - Exec. Director, Fairbanks Senior Center, 907-452-1735
ddaniello@mosquitonet.com

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HB 118
 () Publish Date: _____

Revision Date/Time (Note if correction): 02/16/2001 3:30p.m. Dept. Affected: DCED
 Title: Senior citizen/veteran property tax exemption BRU: Community Asst.&Econ.Dev.
 Component: Community & Business Development
 Sponsor: Representative Whitaker
 Requester: House CRA Component Number: 2486

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2001) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2002 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill provides for a mandatory exemption from municipal taxes on certain residences. This legislation would have no fiscal impact on the department.

Prepared by: Pat Poland, Director Phone (907) 269-4589
 Division: Community and Business Development Date/Time 02/16/2001 3:30p.m.
 Approved by: Commissioner Deborah B. Sadwick Date 2/16/2001
 Agency: Department of Community & Economic Development

For distribution information, call the Governor's Legislative Office

HB

135

**CITY OF FAIRBANKS***James C. Hayes, Mayor*

800 CUSHMAN STREET
FAIRBANKS, ALASKA 99701-4683
OFFICE: 907-459-6793

March 12, 2001

Representative Gretchen Guess
Alaska State Legislature
State Capital
Juneau Alaska 99801-1182

RE: House Bill 135

Dear Representative Guess:

Thank you for the opportunity to comment on House Bill 135. This measure would be an effective tool to encourage property owners to take responsibility for the use of their property. It is not uncommon for our police to become quite familiar with excessive criminal activity at a particular location. Currently, our law abiding taxpayers bear the cost of repeated calls for police service at "problem" locations. This bill would adopt the philosophy that "cost causer should be cost payer."

Fairbanks now has an "emergency response charge" in which persons convicted of drunk driving pay the actual cost of their arrest. We have a simple accounting system by which we compute the actual time and charges that are levied. It would be a simple solution for us - or other municipalities - to do the same thing under House Bill 135.

Fairbanks Police Chief Welch has an appointment Thursday, but in his stead Deputy Chief Ray Miller will be available to testify.

Sincerely,

A handwritten signature in cursive script that reads "James C. Hayes".

James C. Hayes, City Mayor

cc: Community & Regional Affairs Committee Members
Interior Delegation
Ray Miller

domestic violence for judicial officers and court clerks who have contact with parties involved in domestic violence.

(c) The Department of Law and other prosecuting authorities in the state shall, in consultation with the Council on Domestic Violence and Sexual Assault, provide continuing education in domestic violence for prosecuting attorneys and other employees who have contact with persons involved in domestic violence.

(d) The continuing education required under (a) — (c) of this section must include information on the following subjects:

- (1) the nature, extent, and causes of domestic violence;
- (2) procedures designed to promote the safety of the victim and other household members;
- (3) resources available to victims and perpetrators of domestic violence; and
- (4) the lethality of domestic violence. (§ 33 ch 64 SLA 1996)

Sec. 18.66.900. Definitions. [Repealed, § 72 ch 64 SLA 1996.]

Article 5. General Provisions.

Section 990. Definitions

Effective dates. — Section 83, ch. 64, SLA 1996,
makes this article effective July 1, 1996.

Sec. 18.66.990. Definitions. In this chapter,

- (1) "council" means the Council on Domestic Violence and Sexual Assault;
- (2) "crisis intervention and prevention program" means a community program that provides information, education, counseling, and referral services to individuals experiencing personal crisis related to domestic violence or sexual assault and to individuals in personal or professional transition, excluding correctional half-way houses, outpatient mental health programs, and drug or alcohol rehabilitation programs;
- (3) "domestic violence" and "crime involving domestic violence" mean one or more of the following offenses or an offense under a law or ordinance of another jurisdiction having elements similar to these offenses, or an attempt to commit the offense, by a household member against another household member:
 - (A) a crime against the person under AS 11.41;
 - (B) burglary under AS 11.46.300 — 11.46.310;
 - (C) criminal trespass under AS 11.46.320 — 11.46.330;
 - (D) arson or criminally negligent burning under AS 11.46.400 — 11.46.430;
 - (E) criminal mischief under AS 11.46.480 — 11.46.486;
 - (F) terroristic threatening under AS 11.56.810;
 - (G) violating a domestic violence order under AS 11.56.740; or
 - (H) harassment under AS 11.61.120(a)(2) — (4);
- (4) "domestic violence program" means a program that provides services to the victims of domestic violence, their families, or perpetrators of domestic violence;
- (5) "household member" includes
 - (A) adults or minors who are current or former spouses;
 - (B) adults or minors who live together or who have lived together;
 - (C) adults or minors who are dating or who have dated;
 - (D) adults or minors who are engaged in or who have engaged in a sexual relationship;

(E) adults or minors who are related to each other up to the fourth degree of consanguinity, whether of the whole or half blood or by adoption, computed under the rules of civil law;

(F) adults or minors who are related or formerly related by marriage;

(G) persons who have a child of the relationship; and

(H) minor children of a person in a relationship that is described in (A) — (G) of this paragraph;

(6) "judicial day" means any Monday through Friday that is not a state holiday and on which the court clerk's offices are officially opened to receive legal documents for filing;

(7) "local community entity" means a city or borough or other political subdivision of the state, a nonprofit organization, or a combination of these;

(8) "petitioner" includes a person on whose behalf an emergency protective order has been requested under AS 18.66.110(b);

(9) "sexual assault" means a crime specified in AS 11.41.410 — 11.41.450;

(10) "sexual assault program" means a program that provides services to the victims of sexual assault, their families, or perpetrators of sexual assault. (§ 33 ch 64 SLA 1996; am § 75 ch 21 SLA 2000)

Effect of amendments. — The 2000 amendment, effective April 28, 2000, inserted "an offense under" in the introductory language of paragraph (3).

NOTES TO DECISIONS

Degrees of consanguinity. — Where a domestic violence restraining order was issued, based in part on a finding that the defendant and victim were related within the fourth degree of consanguinity, the judge properly vacated the order upon the defendant proving that the relationship was within the fifth degree, not the statutorily prescribed fourth. *Jacko v. State*, 981 P.2d 1075 (Alaska Ct. App. 1999).

Domestic violence. — Although the real source of potential prejudice was not the ultimate validity or invalidity of a restraining order, but the fact that the order was termed a "domestic violence" restraining order, where the judge gave a curative instruction to the jury, none of the testimony at the trial suggested that the defendant had engaged in physical violence,

the course of the trial, the judge did not abuse his discretion when he precluded the defendant from presenting evidence that the restraining order was invalidated subsequent to the violation forming the basis for the charge. *Jacko v. State*, 981 P.2d 1075 (Alaska Ct. App. 1999).

The legislature consistently uses the phrase "crimes involving domestic violence" in a context which indicates that the reference is to a criminal act, not a criminal conviction. *State v. Bingaman*, 991 P.2d 227 (Alaska Ct. App. 1999).

Evidence of "other crimes involving domestic violence by the defendant" does not require proof of a conviction to be admissible. *State v. Bingaman*, 991 P.2d 227 (Alaska Ct. App. 1999).

STATE OFFICE
ALASKA PEACE OFFICERS ASSOCIATION

P.O. Box 240106 Anchorage, Alaska 99524-0106 Phone (907) 277-0515 Fax (907) 272-5355

March 16, 2001

MAR 19 2001

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Anchorage

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Representative Kevin Meyer
Alaska State Legislature
State Capitol Building
Juneau, Alaska 99801-1182

Dear Representative Meyer,

The Alaska Peace Officers Association (APOA) would like to thank you for introducing HB135 (22-LS042\C) relating to municipal fees for certain police protection services.

The APOA Legislative Advisory Committee has unanimously agreed to endorse HB135 in its current draft format. We believe this will open an avenue for municipalities to collect fees from excessive users of municipal public safety resources.

Please contact us if there is anything we can do to assist you with passage of this bill. You may contact us at the APOA office in Anchorage at 277-0515.

Sincerely,



Leo Brandlen
President

cc: Representative Gretchen Guess

ALASKA STATE LEGISLATURE



REPRESENTATIVE GRETCHEN GUESS

Sponsor Statement HB 135

“ An Act relating to municipal fees for certain police protection services.”

Within many of our communities, nuisance residential properties exist and cause continued disturbances to neighbors and neighborhoods. This bill strengthens local control to hold the owners of these properties accountable.

HB 135 grants municipalities the ability to impose a fee on the owner of residential property if the police department responds to the property an excessive number of times. The fee is granted lien status against the nuisance property. The state will not define “excessive” nor mandate a municipality to create such a fee system; it only allows municipalities to create such a system if they choose. Domestic violence calls, as defined under AS 18.66.990, have been exempted so as not to discourage a resident domestic violence victim from calling for help.

The intent of HB 135 is to provide stronger local control to hold property owners accountable for their impact on neighborhoods. These chronically problematic properties not only impact a neighborhood’s peace and calm but also directly cost municipalities in excessive police visits.

THE
FOLLOWING
DOCUMENT(S)
ARE
POOR
ORIGINAL
COPIES

Passed on 4/27/01

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Submitted by: Assemblymembers TESCHE,
Taylor, Tremaine, Abney, Van Etten, Clementson
Prepared by: Assembly Office
For reading: FEBRUARY 27, 2001

ANCHORAGE, ALASKA
AR NO. 2001- 65

**A RESOLUTION OF THE ANCHORAGE MUNICIPAL ASSEMBLY SUPPORTING HOUSE BILL 135,
"AN ACT RELATING TO MUNICIPAL FEES FOR CERTAIN POLICE PROTECTION SERVICES."**

WHEREAS, certain residential properties are the source of repeat disturbances to the peace, calm, and sometimes even the safety of our community - such as "crack house", places of prostitution, gambling, or other illegal activities; and

WHEREAS, property owners are not always held sufficiently accountable for continued violations of law committed on their property; and

WHEREAS, repeat police calls to disturbances at nuisance properties are costly to municipalities; and

WHEREAS, solutions to local problems are most effective when communities, by ordinance enacted only after a public hearing, control, devise and execute solutions; and

WHEREAS, House Bill 135, which has been introduced in the Alaska State Legislature, grants municipalities the ability to impose a fee on the owner of residential property if police respond to the property an excessive number of times; the fee is granted lien status against the nuisance property; and

WHEREAS, this bill is not a means of simply collecting more money; it makes irresponsible property owners assume the burden imposed on the public for illegal activities on their property; and

WHEREAS, under this bill, the State will not define "excessive" nor mandate a municipality to create such a fee system; it only allows municipalities to create such a system - as another tool for law enforcement - if they choose.

NOW, THEREFORE, the Anchorage Assembly resolves:

Section 1: That the Assembly supports House Bill 135 and encourages the Alaska State Legislature to pass the bill.

Section 2: That the Municipal Clerk forward copies of this resolution to the State Legislature upon passage and approval.

PASSED AND APPROVED by the Anchorage Municipal Assembly this 27 day of February, 2001.

Chair [Signature]

ATTEST:

Municipal Clerk

709

To: Jam

3/19/01

AMENDMENT

OFFERED IN THE HOUSE

TO: CSHB 135(), Draft Version "F"

1 Page 1, line 13, following "AS 18.66.990.":

2 Insert "An ordinance enacted under this section shall require actual notice
3 to the property owner of police contacts and a warning that failure to take
4 appropriate corrective action may result in the imposition of a fee. The ordinance
5 shall also define "appropriate corrective action" and provide that the property
6 owner is not liable for the fee if that action is promptly taken.

Adopted

AMENDMENT

OFFERED IN THE HOUSE

TO: CSHB 135(), Draft Version "F"

1 Page 1, line 13, following "AS 18.66.990.":

2 Insert "An ordinance enacted under this section shall require actual notice
3 to the property owner of police contacts and a warning that failure to take
4 appropriate corrective action may result in the imposition of a fee. The ordinance
5 shall also define "appropriate corrective action" and provide that the property
6 owner is not liable for the fee if that action is promptly taken.

22-LS0421\F
Cook
3/9/01

CS FOR HOUSE BILL NO. 135()

**IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SECOND LEGISLATURE - FIRST SESSION**

BY

**Offered:
Referred:**

Sponsor(s): REPRESENTATIVES GUESS, Meyer

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to municipal fees for certain police protection services."**

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

3 *** Section 1.** AS 29.10.200 is amended by adding a new paragraph to read:

4 (60) AS 29.35.125 (fees for police protection services).

5 *** Sec. 2.** AS 29.35 is amended by adding a new section to read:

6 **Sec. 29.35.125. Fees for police protection services.** (a) A municipality may
7 by ordinance impose a fee on the owner of residential real property if a member of the
8 municipal police department goes to the property an excessive number of times during
9 a calendar year in response to a call for assistance, a complaint, an emergency, or a
10 potential emergency. The number of responses considered to be excessive and the
11 amount of the fee shall be set out in the ordinance that establishes the fee. A fee may
12 not be imposed under this subsection for responses to calls that involve potential
13 domestic violence, as defined in AS 18.66.990.

14 (b) A fee imposed under (a) of this section is a lien on the property to which
15 the municipal police have been called an excessive number of times. The lien is prior



1 and paramount to all liens except municipal tax liens and special assessment liens.
2 They may be enforced as provided in AS 29.45.320 - 29.45.470 for enforcement of
3 property tax liens.

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

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HB 135
 () Publish Date: _____

Revision Date/Time (Note if correction): 03/14/2001 5:30p.m. Dept. Affected: DCED
 Title: Act related to municipal fees for police BRU: Comm.Asst & Econ. Dev.
protection services. Component: Community & Business
 Sponsor: Representative Guess Development
 Requester: House Community & Regional Affairs Component Number: 2486

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2001) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2002 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)
 This legislation would have no fiscal impact on this department.

Prepared by: Pat Poland, Director Phone 907-269 4580
 Division: Division Community and Business Development Date/Time 03/14/2001 5:30p.m.
 Approved by: Commissioner Deborah B. Sedwick Date 03/14/01
 Agency: Department of Community & Economic Development

For distribution information, call the Governor's Legislative Office

HB

136

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HB 136
 () Publish Date: _____

Revision Date/Time (Note if correction): 02/23/2001 10:50a.m. Dept. Affected: DCED
 Title: Municipal Regulation of Smoking BRU: Comm. Asst. & Econ Dev
 Component: Community & Business
 Sponsor: Representative Meyer Development
 Requester: House CRA Component Number: 2486

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

FUND SOURCE	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2001) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2002 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation would have no fiscal impact on the department.

Prepared by: Pat Poland, Director
 Division: Community & Business Development
 Approved by: Commissioner Deborah B. Sedwick
 Agency: Department of Community & Economic Development

Phone 907-269-4580
 Date/Time 02/23/2001 10:50a.m.
 Date 2/23/2001

For distribution information, call the Governor's Legislative Office



REPRESENTATIVE KEVIN MEYER

HOUSE DISTRICT 19

SPONSOR STATEMENT

HB 136

“An Act relating to municipal regulation of smoking in certain places.”

House Bill 136 would add an additional section to AS.18.35, regarding “local government regulation of smoking in public places and workplaces.” The purpose of this bill is to make clear the intent of the Alaska State Legislature that it does not restrict local governments from enacting stricter laws regulating smoking in public buildings and workplaces in their communities.

Local governments in Alaska are in a unique position to respond to and enforce their communities’ requests for greater regulation of smoking. The proposed legislation recognizes the rights of citizens at the local level of government to petition their local representatives for more restrictive measure adaptable to their communities regarding smoking. The Municipality of Anchorage has recently responded to its citizens’ requests for local regulation of smoking in public buildings and workplaces, and experienced a successful implementation of its “Prohibition of Smoking in Public Places” ordinance.

Numerous studies have confirmed that smoking tobacco products is a major contributor to indoor air pollution, and that breathing second-hand smoke is a cause of numerous diseases, including lung cancer, heart disease, respiratory infection, etc., even in non-smokers. Children, elderly, individuals with cardiovascular disease, and individuals with impaired respiratory functions, are at special risk. More restrictive measures that can be developed and enforced at a local level are needed regarding smoking, particularly in the workplace and in the access area around public buildings, in order to protect public health and allow for equality of employment opportunities.

It is in the public interest and the best interest of the State to protect the public health and welfare of the citizens of Alaska, by allowing local governments to enact and enforce stricter regulation of smoking than currently prescribed in AS 18.35.

HOUSE BILL NO. 136

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SECOND LEGISLATURE - FIRST SESSION

BY REPRESENTATIVE MEYER

Introduced: 2/21/01

Referred:

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to municipal regulation of smoking in certain places."**

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

3 *** Section 1.** AS 18.35 is amended by adding a new section to read:

4 **Sec. 18.35.357. Municipal regulation.** A municipality may adopt and
5 enforce an ordinance that places prohibitions or restrictions that are additional to or
6 more strict than those required under AS 18.35.300 - 18.35.330 on smoking in or near
7 workplaces or buildings that are open to the public. An ordinance adopted under this
8 section may not apply in or near a building or workplace that is occupied or managed
9 by the state or federal government.

HEB

145

TONY KNOWLES, GOVERNOR

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

P.O. BOX 110300
JUNEAU, ALASKA 99811-0300
PHONE: (907)465-3600
FAX: (907)465-2075

February 26, 2001

The Honorable Carl Morgan, Co-Chair
The Honorable Kevin Meyer, Co-Chair
House Committee on Community and Regional Affairs
State Capitol
Juneau, Alaska 99801

Re: **HB 145 - "An Act making a civil remedy available to the state or a municipality against persons who make false claims for, or certain misrepresentations regarding, state or municipal money or other property."**

Dear Representatives Morgan and Meyer:

I am writing to request that you schedule a Community and Regional Affairs Committee hearing on HB 145 - "An Act making a civil remedy available to the state or a municipality against persons who make false claims for, or certain misrepresentations regarding, state or municipal money or other property."

The Department of Law requested the governor to introduce this bill to provide clear penalties and strong incentives to prosecute persons who would present false claims for money or property to the state or a municipality. Existing state law contains authority for the attorney general to file suit to collect money of the state or a municipality that is "illegally paid or . . . diverted for an illegal purpose, or paid to a person not authorized by law to receive them." AS 37.10.090. This statute predates statehood and is in need of updating so that state and municipalities are well equipped to prosecute persons who would obtain money or other public property through fraud or misrepresentation.

Department of Law attorneys became impressed with the need for the law changes offered in this bill during the course of our investigation of the potential claim against the Bank of America. Our attention was initially directed to the Bank of America by the City of San Francisco. The city, the State of California, and hundreds of other municipalities were engaged in litigation filed by the State of California under what is commonly called the "false claims statute." The bank was alleged to have failed to pay the California government entities substantial amounts of unclaimed debt service payments held in trust

The Honorable Carl Morgan
The Honorable Kevin Meyer

February 26, 2001
Page 2

for bondholders. The case presented great difficulties of proof because the bond accounting systems of the bank are largely incapable of tracing the unclaimed money held in trust.

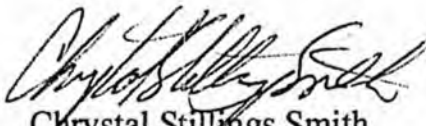
It is strongly believed by counsel to the City of San Francisco and the California Attorney General's office that the threat of treble damages under the false claims statute was the principal motivation for the bank's willingness to settle the case short of litigation.

We recommend that the public finance code would be improved by the addition of a statute similar to the California false claims statute (Cal. Government Code sec. 12652) which is the model we used in drafting HB 145. Similar laws are on the books in many other states and the federal government.

Attached for your information is a summary of the provisions of HB 145. If you would like more information, please let me know.

Sincerely,

BRUCE M. BOTELHO
ATTORNEY GENERAL


By: Chrystal Stillings Smith
Legislative Liaison

Enclosure

Cc: Mike Abbott, Legislative Director, Office of the Governor
Jim Baldwin, Assistant Attorney General
Deborah Behr, Legislation and Regulations Attorney

HB 145 - An Act making a civil remedy available to the state or a municipality against persons who make false claims for, or certain misrepresentations regarding, state or municipal money or other property; and providing for an effective date."

- ◆ Will provide clear penalties and strong incentives to prosecute persons who would present false claims for money or property to the state or a municipality.
- ◆ Existing state law contains authority for the attorney general to file suit to collect money of the state or a municipality that is "illegally paid or . . . diverted for an illegal purpose, or paid to a person not authorized by law to receive" it. The statute that allows this, AS 37.10.090, predates statehood and is in need of updating so that state and municipalities are well equipped to prosecute persons who would obtain money or other public property through fraud or misrepresentation.
- ◆ California has a statute similar to that proposed in HB 145. It was used in a case brought by the City of San Francisco, the State of California, and hundreds of other municipalities against the Bank of America. The bank was alleged to have failed to pay the California government entities substantial amounts of unclaimed debt service payments held in trust for bondholders. The case presented great difficulties of proof because the bond accounting systems of the bank are largely incapable of tracing the unclaimed money held in trust.
- ◆ It is strongly believed by counsel to the City of San Francisco and the California Attorney General's office that the threat of treble damages under the false claims statute was the principal motivation for the bank's willingness to settle the case short of litigation.
- ◆ Alaska's public finance code would be improved by the addition of a statute similar to the California false claims statute, which is the model used in drafting HB 145. Similar laws are on the books in many other states and the federal government.

A summary of provisions of HB 145 is attached.

Summary of HB 145

Section 1: Provides that contract claims against the state will be covered by the false claims penalties in case of fraud or misrepresentation by the claimant.

Section 2:

Creates civil liability for:

- a. presenting a false claim to a state or municipal officer;
- b. using a false record or statement to obtain payment from the state or a municipality;
- c. conspiring to defraud by getting a false claim allowed or paid;
- d. when acting as a custodian of public money or property, delivering less of that money or property to the state or municipality than it is entitled to by law;
- e. making a false receipt for state or municipal property;
- f. knowingly buying or receiving state or municipal property from someone who lawfully may not sell or pledge the property;
- g. making a false record to conceal, avoid, or decrease an obligation to pay or transmit property to the state or a municipality;
- h. failing to disclose the existence of a false claim once the person knows it is false, if the person stands to benefit from the claim.

Establishes the following penalties:

- a. treble damages,
- b. a civil penalty of up to \$10,000 for each fraudulent act; and
- c. Rule 82 attorney fees and costs.

Establishes the following incentives:

- a. damages can be reduced to double the loss incurred by the state, and civil penalties waived, if
 - the person presenting the false claim reports that fact within 30 days after learning of the falsity of the claim;
 - the person cooperates with investigation; and

- no civil or criminal proceedings had been started at the time that the person began cooperating with the investigation.

Certain claims are not covered: The false claims penalties do not apply to amounts less than \$500 or to certain claims presented under

- a. the unemployment insurance statutes
- b. worker's compensation statutes
- c. state revenue and tax code , including permanent fund dividends;
- d. public assistance under AS 47.25
- d. Alaska Temporary Assistance Program

Section 3. Establishes a statute of limitations: six years from discovery, 10 years after commission of fraudulent act.

Establishes the following burden of proof: proof must be by a preponderance of the evidence (51%); proof of a criminal conviction for false statements or fraud stops the defendant from denying the elements of making a false claim in a civil action.

Establishes authority to prosecute: attorney general has power to investigate claims involving state property and the municipal attorney has the power to investigate claims involving municipal property. If the investigation involves a mixture of state and municipal property, notification must be made to the other government involved. Attorney general may proceed with the case or tender it to the municipality.

Section 4. Provides definitions of terms used in statute.

Section 5. Repeals:

- limitation period applicable to contract claims which would now be covered by the period specified in this bill; and
- a provision which specifies how the costs of actions to recover state or municipal property are handled.

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: _____
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Law
 Title "An Act making a civil remedy available to the state BRU Civil Division
... against persons who make false claims for, or certain ..." Component Commercial
 Sponsor Rules Committee Governmental Affairs
 Requester Governor Component No. 2211, 2207

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

FUND SOURCE	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2001) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2002 budget proposal:

POSITIONS

Full-time	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill provides general statutory authority for the civil prosecution of a person who makes a false claim for, or a misrepresentation regarding, money or property against the state or a municipality. It would allow for damages of up to three times the amount suffered, a civil penalty, and court costs and attorneys fees from persons who make a representation or false claim against the state or a municipality. The new law would not apply to any controversy that involves less than \$500 and would not apply to unemployment claims, workers' compensation claims, state tax claims, public assistance claims, or temporary assistance claims.

Passage of this legislation is not anticipated to have a fiscal impact on the Department of Law. Current law already allows the attorney general to file suit to recover funds illegally paid out by the state or a municipality. This legislation will serve to improve the state's negotiating position in those cases the department would undertake anyway by providing a heavier penalty - the threat of treble damages.

Prepared by: Joan M. Kasson Phone 465-5370
 Division Attorney General's Office Date/Time 2/20/01 4:30 PM
 Approved by: Kathryn Daughhettee for Bruce M. Botelho, Attorney General Date 2/20/01
 Agency Department of Law

For distribution information, call the Governor's Legislative Office

HB

156



Anchorage Economic Development Corporation
The Center of Opportunity

March 13, 2001

The Honorable Rick Halford
President of the Senate
Alaska State Legislature
State Capitol (MS 3100)
Juneau, AK 99801-1182


The Honorable Brian S. Porter
Speaker of the House of Representatives
Alaska State Legislature
State Capitol (MS 3100)
Juneau, AK 99801-1182

Dear President Halford and Speaker Porter:

The Anchorage Economic Development Corporation (AEDC) supports the efforts of the Municipality of Anchorage to revise existing State statutes to allow for the creation and implementation of local tax increment financing districts.

House Bill 156, an Act relating to municipal debt for development and redevelopment projects, would change existing State statutes and would make Tax Increment Financing available as an additional development tool to Alaska communities.

Sincerely,


LARRY D. CRAWFORD
President & CEO

c.c. Anchorage Caucus members

M U N I C I P A L I T Y O F A N C H O R A G E



Municipal Light & Power

GENERAL MANAGER

1200 East First Avenue

Anchorage

Alaska

95501-1685



phone

907.263.5201

fax

907.263.5204

e-mail

kehlern@cl.anchorage.ak.us

March 13, 2001

The Honorable Kevin Meyer, Co-Chair
The Honorable Carl Morgan, Co-Chair
Alaska State Legislature
State Capitol
Juneau, Alaska 99811

Dear Representatives Meyer and Morgan:

Anchorage's Municipal Light and Power supports the effort of the Anchorage business community and government to make a minor revision to the statute to allow bond underwriters and rating agencies to evaluate appropriate security on tax increment bonds as provided in House Bill 156.

The passage of this legislation would allow Alaskans communities to effectively utilize tax increment financing as an additional development tool to spur local economic development.

Sincerely,

Michael J. Scott
General Manager

Alaska State Legislature

Session
State Capitol Building, Room 418
Juneau, Alaska 99801-1182
Phone (907) 465-2995
Fax (907) 465-6592

Interim
716 West Fourth Avenue, Suite 430
Anchorage, Alaska 99501
Phone (907) 269-0250
Fax 9907) 269-0249

Chair, House Special Committee
on Economic Development, Trade
and Tourism

Chair, Joint House and Senate
Administrative Regulation and
Review Committee

Member
Resources Committee
Rules Committee

Representative Lesil McGuire *House District 17*

Sponsor Statement

HB 156

"An Act relating to municipal debt for development and redevelopment projects."

AS 29.47.460(b) states that a municipality "may irrevocably pledge the tax increment from the area for that purpose [*only if additional security in the form of a letter of credit or equal security is also pledged*]." In deleting this language, a potential cloud is removed from financing requirements under the statute. Each project financed through the use of a tax increment has its own analysis done by the bond underwriters and rating agencies as they determine creditworthiness and reserve requirements. Removing the existing language will remove a potential cloud on the tax increment bond issue.

AS 29.47.460 authorizes municipalities to create redevelopment agencies for the purpose of developing and redeveloping land or building within a specified project area. To assist in the development or redevelopment, "tax increment" bonds or tax allocation bond financing is utilized to generate revenue to pay for improvements authorized under Title 29. Tax increment financing or tax allocation bonds are made possible by capturing assessed value growth within the specified project area.

The mechanics of capturing assessed valuation growth are straightforward. The redevelopment agency delineates a project area and declares a "base" year. Once an improvement is made within the project area, the additional assessed valuation is added to the tax rolls over the "base" year. The "base" year and the "increment" increase from the new development are taxed at the same rate. The "increment" tax revenues are remitted to the redevelopment authority and used to pay debt service on the tax increment bonds used to pay for the development or redevelopment improvements.

**MUNICIPALITY OF ANCHORAGE
2001 LEGISLATIVE PROGRAM
LEGISLATIVE LOBBYING ISSUES**

The following issues are of interest and/or concern to the Municipality of Anchorage. The list is intended to be dynamic and may change from time to time during the session.

DUI Task Force Recommendations

In its final report, the DUI Prevention Task Force presented approximately 25 recommendations which would require legislative authority to implement. The Municipality supports the Task Force's efforts in prioritizing and seeking legislative support for many of these changes.

1986 Agreement for the Conveyance of Lands

In 1986, the State of Alaska and the Municipality signed an agreement for the conveyance of lands intended to settle all outstanding claims and obligations between Anchorage and the State. 17,000 acres have yet to be conveyed. The Municipality requests the support of the Legislature in persuading the State Administration to convey the remaining 17,000 acres.

Indemnity Provisions in Railroad Public Land Use Permits

Ongoing controversies exist between municipalities and the Alaska Railroad Corporation regarding the liability associated with crossings of Railroad right of way. The Municipality supports legislation that would revise the interaction between the Alaska Railroad and affected municipalities through modification of the blanket indemnification provisions.

Utility Liens Against Property

The Municipality supports statutory authority for unpaid utility bills to be used as liens against property.

Business Improvement Districts

The Municipality supports legislation allowing the State of Alaska to participate as a voting and paying member of business improvement districts such as the Anchorage Downtown BID in order to reimburse the district for supplemental services provided to State owned or leased facilities in the District.

Tax Increment Financing

Tax Increment Financing (TIF) is a development tool designed to help finance certain eligible improvements to property in designated redevelopment areas by utilizing the new, or incremental, tax revenues generated by the project after completion. The Municipality supports the necessary changes to AS Titles 18 and 29 to allow for the creation and implementation of local tax increment financing districts.

X

HB 156

Alaska State Legislature

Session
State Capitol Building, Room 418
Juneau, Alaska 99801-1182
Phone (907) 465-2995
Fax (907) 465-6592

Interim
716 West Fourth Avenue, Suite 430
Anchorage, Alaska 99501
Phone (907) 269-0250
Fax 9907) 269-0249

Chair, House Special Committee
on Economic Development, Trade
and Tourism

Chair, Joint House and Senate
Administrative Regulation and
Review Committee

Member
Resources Committee
Rules Committee

Representative Lesil McGuire *House District 17*

MEMORANDUM

TO: Representative Kevin Meyer
Chair, House Community & Regional Affairs Committee

FROM: Representative Lesil McGuire

DATE: March 8, 2001

RE: HB 156
"Municipal Debt For Development Projects"

I respectfully request that HB 156 be scheduled for a hearing in the House Community & Regional Affairs Committee.

Attached are the following back up:

1. Sponsor Statement
2. HB 156

If you have any questions please feel free to contact me personally, or my staff Sue Stancliff at ext. #4695.

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HB 156
 () Publish Date: _____

Revision Date/Time (Note if correction): 03/14/2001 5:35p.m. Dept. Affected: DCED
 Title: Act related to municipal debt for development BRU: Comm.Asst & Econ. Dev.
and redevelopment projects Component: Community & Business
 Sponsor: Representative McGuire Development
 Requester: House Community & Regional Affairs Component Number: 2486

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2001) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2002 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation would have no fiscal impact on this department.

Prepared by: Pat Poland, Director Phone 907-269-4580
 Division: Division Community and Business Development Date/Time 03/14/2001 5:35p.m.
 Approved by: Commissioner Deborah B. Sedwick Date 03/14/01
 Agency: Department of Community & Economic Development

For distribution information, call the Governor's Legislative Office

HB

186



REPRESENTATIVE KEVIN MEYER

HOUSE DISTRICT 19

SPONSOR STATEMENT

HB 186

“An Act relating to a municipal enhanced 911 surcharge on wireless telephones.”

In 1993, Anchorage was one of the first communities in Alaska to install an Enhanced 911 (E911) emergency system. Several other communities in Alaska now have installed E911 systems, or are in the process of creating an E911 system. The E911 system provides faster response time, automatic routing to the appropriate emergency response unit, and visual display of the location and telephone number of *wireline* calls to assist in response to emergency calls.

Since the installation of the E911 systems, the use of *wireless* telephones has increased in Alaska, resulting in more calls to the E911 system as well as faster notification to local public safety agencies of emergencies. Currently in Anchorage, over 25% of all calls to the E911 system are from *wireless* telephones.

The quick response to emergencies from *wireless* calls, does however, have some drawbacks. A dispatcher receiving a *wireless* call to the E911 system does not get the visual display of the caller's location or the automatic telephone number identification as with a *wireline* call. As a result, the dispatcher must ask for the caller's identity and location to properly route the information to the appropriate emergency response unit. This increases the response time to an emergency.

With the installation of the E911 systems in Alaska, the Alaska legislature passed legislation allowing municipalities to impose a surcharge for each local exchange access line for *wireline* telephones. Municipalities the size of Anchorage are allowed to assess a \$.50 per month surcharge, with smaller municipalities (less than 100,000 people) allowed to assess a \$.75 per month surcharge. This surcharge assists in paying for acquisition, maintenance and operation of the E911 systems throughout Alaska. Wireless phones are not currently subjected to the surcharge.

HB 186 amends AS 29.35.131 to allow municipalities with E911 systems to impose the same surcharge on *wireless* telephones. The revenue from HB 186 will help fund additional staff and purchase necessary equipment to track the source and location of *wireless* phone calls to the E911 system.

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

March 14, 2001

SUBJECT: Municipal 911 surcharge; summary
(Work Order No. 22-LS0381\F)

TO: Representative Kevin Meyer
Attn: Nancy Manly

FROM: Tamara Brandt Cook
Director *TBC*

Section. 1. The legislature finds that under certain FCC proceedings operation of an enhanced 911 service for wireless telephones would require tracking of calls similar to that provided for wireline calls and would allow for cost recovery by wireless telephone companies.

Sec. 2. Permits a municipality that provides services under an enhanced 911 system to impose a surcharge on each wireless telephone number billed to an address within the service area. Existing law permits a surcharge only on wireline telephones.

Secs. 3 - 8. Technical changes to accommodate the fact that a surcharge may be imposed on wireless as well as on wireline telephones and to consistently use language that is defined.

Sec. 9. Eliminates definition of "911 service area" since the phrase "enhanced 911 service area" is now used consistently.

Sec. 10. Eliminated definition of "system" to reflect consistent usage of "enhanced 911 system." Adds to the definition that a system includes personnel required for its facilities and to dispatch the calls generated by the system. Also adds provision that an enhanced 911 system for wireless telephones is the same system as that used for wireline telephones.

Sec. 11. Add three new definitions: "wireless telephone," "wireless telephone company," "wireline telephone."

TBC:lmb
01-099.lmb

**MUNICIPALITY OF ANCHORAGE
2001 LEGISLATIVE PROGRAM
EXECUTIVE SUMMARY**

PRIORITY LEGISLATIVE ISSUES

Municipal Dividend Program

The Municipality supports the creation of a Municipal Dividend Program, such as last year's SB 304 and HB137, which would provide a stable revenue source to help provide basic city services.

GARVEE Bonds

The Municipality supports the authorization of creative funding mechanisms, such as GARVEE bonds for road construction and maintenance.

Tax Increment Financing

Tax increment financing has proven to be an effective economic development tool in localities around the nation. The Municipality supports legislation authorizing the use of tax increment financing by Alaskan cities.

E-911 Surcharge on Wireless Telephones

Wireless telephone users currently account for well over 25% of the total call volume to the E-911 system yet they are exempt from the monthly \$.50 surcharge which helps defray the cost of the E-911 system. The Municipality supports a legislative change requiring collection of the E-911 surcharge on wireless telephones.

Amend Public Employees Pension Plans to Limit Basis of Computation of Retirement Benefits to Base Pay; Exclude Overtime that Inflates Future Pension Benefits.

The current definition of compensation for the Public Employees Retirement System allows for the use of overtime in the calculation of pension benefits, which invites abuse through overtime loading to inflate an employees high 3 years. The municipality supports legislation to exclude overtime from the definition of compensation for all new employees.

State Sales Tax and Property Tax

The Municipality opposes the incursion of the State into current municipal taxes such as sales and property tax.

Mandates Legislation

The Municipality supports legislative efforts which would require the State to provide full funding for State mandated Senior Citizens/Disabled Veterans property tax exemption and other municipal activities or services. An appropriate funding source would be through the Alaska Housing Finance Corporation earnings.

Post-It® Fax Note	7671	Date	1-9	# of pages	5
To	KEVIN MAJER	From	TIM ROGERS		
Co./Dept.		Co.			
Phone #		Phone #	343-4467		
Fax #	465-3476	Fax #			



217 Second Street, Suite 200 ■ Juneau, Alaska 99801 ■ Tel (907)586-1325. Fax (907)-463-5480

March 14, 2001

Representative Kevin Meyer
Alaska State Capitol, Room 110
Juneau, AK 99811

Dear Representative Meyer

We are writing in support for extending the E-911 surcharge to wireless (cellular) telephones at the same rate currently charged to hard-wired phone systems. The AML Public Works & Infrastructure Legislative Subcommittee met on March 14 and unanimously voted to support your efforts to expand the surcharge.

In 1994, the State adopted a bill (supported by AML) allowing municipalities to place a 50 cents to 75 cents per month surcharge on hard-wired telephones to help offset the costs for the critical life-saving services of the "911" emergency telephone system. With the dramatic increase in the use of cellular phones, especially for emergency calls, it is equitable and appropriate to extend the same charge to cellular phones.

We appreciate your interest and if we can help with this or any other municipal issue, please call on me at any time.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kevin Ritchie', with a long horizontal line extending from the end of the signature.

Kevin Ritchie
Executive Director

cc: Public Works & Infrastructure Legislative Subcommittee

**Municipality
of
Anchorage**



P.O. Box 196650
Anchorage, Alaska 99519-6650
Telephone: (907) 343-4431
Fax: (907) 343-4499
<http://www.ci.anchorage.ak.us>

George P. Wuerch, Mayor

March 14, 2001

OFFICE OF THE MAYOR

The Honorable Kevin Meyer
Alaska State Legislature
State Capital
Juneau, Alaska 99801

Subject: Surcharge on Wireless Telephones for Use of E911 System

In 1993, Anchorage installed an Enhanced 911 (E911) system. This emergency system provides faster response time, automatic routing to the appropriate emergency response unit, visual display of the location and calling telephone number for wire line 911 emergency response calls.

Since the installation of the E911 system, usage of wireless telephones has resulted in quicker notification of emergencies, saved lives and faster apprehension of criminals. Today, in Anchorage, over 25% of all calls to the E911 system originate with a wireless telephone.

As usage of wireless telephones increases, so do the number of calls to the E911 system. Often, multiple calls are received regarding the same incident. An automobile accident on a busy road may result in 25 or more calls to the E911 system, for example. These multiple calls often clog the E911 system, making it difficult for other emergencies to be reported using wire line telephones.

Since 1993 there has been a \$.50 per month surcharge in Anchorage for each local exchange access line (wire line telephones) to help pay for the acquisition, maintenance and operation of the E911 service. Wireless phones are not subject to the surcharge.

The Municipality of Anchorage supports amending AS 29.35.131 to extend the surcharge to wireless phones to pay for the E911 system. The revenue from this amendment would help fund additional staff and equipment needed to effectively handle the additional calls originating from wireless telephones. Your support of this legislation would be greatly appreciated by the Municipality of Anchorage and its citizens.

Sincerely,

A handwritten signature in dark ink, appearing to read "George P. Wuerch". The signature is fluid and cursive, written over a printed name and title.

George P. Wuerch
Mayor



Dan Youmans
 Director
 External Affairs
 Washington & Alaska

AT&T Wireless Services, Inc.
 617 Eastlake Avenue East
 Seattle, WA 98109
 206 389-5208
 FAX 206 389-2384
 WIRELESS 206 854-2261
 danlei.youmans@atws.com

March 22, 2001

The Honorable Rep. Kevin Meyer
 Alaska State Legislature
 State Capitol
 Juneau, AK 99801

Dear Rep. Meyer:

On behalf of AT&T Wireless Services (AWS), I would like to thank you for your interest in public safety and the 911 emergency communication system. AWS is a strong supporter of 911. We believe wireless phones are making a significant contribution to the safety of wireless customers and the overall community by providing immediate emergency communication through the 911 system.

Because wireless phones are often used to call 911, AWS supports a reasonable surcharge on wireless customers to help cover the costs incurred by the Public Safety Answering Points (PSAPs). House Bill 186 would create a monthly surcharge of up to 50 cents for municipalities with a population of 100,000 or greater, and a monthly surcharge of up to 75 cents for municipalities with a population of less than 100,000. AWS can support this legislation *if amended* to create a surcharge level at 50 cents for all municipalities. We also suggest the rate be set at 50 cents as opposed to "may not exceed" 50 cents to simplify the rate structure for all wireless carriers and customers.

AWS feels a consistent rate across the state would be a more equitable way to levy a wireless 911 surcharge, especially since wireless phones are used by customers in multiple jurisdictions. For example, a customer who lives in Anchorage may be visiting Fairbanks where he or she may witness a car accident. A call to 911 on a wireless phone would go to the Fairbanks PSAP. The opposite may also be true with a visitor from Fairbanks calling the Anchorage PSAP. Since wireless phones can be used in many jurisdictions across the state to make emergency calls, it seems only fair that the surcharge is the same no matter where a customer lives.

AWS also would like to thank you for including "cost recovery" language in the legislation, recognizing the Federal Communication Commission's mandate that carrier costs associated with Enhanced 911 be reimbursed in jurisdictions where cost recovery mechanisms, like the one contemplated in this legislation, exist.

Thank you for this opportunity to provide comments on House Bill 186. Please feel free to contact me if you have any questions at 206-389-5208.

Sincerely,

Dan Youmans
 AT&T Wireless Services



**MUNICIPALITY OF ANCHORAGE
2001 LEGISLATIVE PROGRAM
PRIORITY LEGISLATIVE ISSUES**

TITLE: E-911 Surcharge on Wireless Telephones

In 1993, Anchorage installed an Enhanced 911 (E-911) emergency system. This system provides faster response time, automatic routing to the appropriate emergency response unit, visual display of the location and calling telephone number.

Since the installation of the E-911 system, usage of wireless communication devices, such as cellular telephones has resulted in quicker notification of emergencies, saving lives and resulting in faster apprehension of criminals. Today, over 25% of all calls to 911 originate with a cellular phone.

As usage of wireless devices increases, so do the number of calls to 911. Often, multiple calls are received regarding the same incident. An automobile accident on a busy road may result in 25 or more calls to 911, for example. These multiple calls often clog the E-911 system making it difficult for other emergencies to be reported.

Since 1993 there has been a \$.50 per month surcharge in Anchorage for each local exchange access line to help pay for the acquisition, maintenance and operation of the Enhanced 911 (E-911) emergency service. Wireless phones are not subject to the surcharge.

The Municipality of Anchorage supports amending AS 29.35.131 to authorize a 911 surcharge on wireless phones. The revenue from this amendment would help fund additional staff and equipment needed to effectively handle the additional calls originating from wireless telephones.

Contact: Mark Mew
Acting Police Chief
Phone: 786-8552



George P. Wuerch,
Mayor

ANCHORAGE POLICE DEPARTMENT

4501 South Bragaw Street • Anchorage, Alaska 99507-1599

Telephone (907) 786-8500

<http://www.ci.anchorage.ak.us>



Walt Moneyun
Chief

March 21, 2001

The Honorable Kevin Mcycr
State Capitol, Room 110
Juneau, AK 99801-1182

Dear Representative Meyer:

The Anchorage Police Department is designated as one of several Public Safety Access Points in our state. The role of any PSAP is to get the appropriate emergency responder to the emergency scene in the shortest time possible. To accomplish this task, APD employs radio, telephone, and computer technology to identify and locate people who call for help (even though they may not be able articulate this information), to select and dispatch the unit which is physically closest to the scene, and to provide tactical information necessary to keep the responders and victims safe.

The telephone component in our Emergency Communications Center is the Emergency 911 System. As developed at APD, E911 is a subsystem which is integrated with (and, in essence, feeds) the other computer and radio subsystems making up the PSAP.

The costs involved in employing and training personnel, and in acquiring, maintaining, and improving the necessary technology, are significant. For many years we have been able to recover some of the costs through the E911 Surcharge, a fifty cent tax on each wireline phone in the area served by our Communications Center. Cellular service, however, involves no such surcharge, and thus the proliferation of cell phones threatens the successful operation of the PSAP.

A single accident on the Glenn Highway can generate fifty or more duplicate calls, all from well meaning motorists with cell phones. We must put on staff to answer these calls, but the callers are not contributing to that effort. We have experienced times when duplicate and unnecessary cell phone calls have exceeded the capacity of our incoming E911 trunk. Anyone who has called with an emergency during one of these times has gotten a busy signal. We have no way of knowing who these unfortunate people are, nor how many of them there have been. It is apparent that due to cell phone traffic we must expand our E911 capacity. Cell phone users should help cover that cost.

For these reasons the Anchorage Police Department supports amending AS29.35.131 to extend the E911 surcharge to wireless telephone accounts. Your efforts in passing this legislation will be appreciated by the APD and the citizens we serve.

Sincerely,

Mark T. Mew

Deputy Chief of Police

HB

217

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HB 217
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
 Title: Municipal Property Assessment and Tax BRU: Revenue Operations
 Component: Tax Division

Sponsor: Representative Kohring
 Requester: House Community & Regional Affairs Component Number: 2476

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()	**	**	**	**	**	**
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2001) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2002 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

** This legislation could result in a loss to the state of several million dollars a year in oil and gas property tax revenue.

See attached analysis.

Prepared by: Dan Dickinson, Director Phone 269-1033
 Division: Tax Division Date/Time April 18, 2001, 4 p.m.
 Approved by: Larry Persily, Deputy Commissioner Date 4/18/01
 Agency: Department of Revenue

For distribution information, call the Governor's Legislative Office

Department of Revenue Fiscal Note and Bill Analysis
House Bill 217 – April 18, 2001

HB 217 would remove the equity requirement in property assessment and taxation. It would eliminate current language requiring that all property subject to an ad valorem tax be taxed at the same rate during the year.

HB 217 would also allow municipalities to adopt varying levels of assessment and extend the municipal exemption authority outside the mandatory or optional exemptions provided for in AS 29.45.030 and AS 29.45.050. If passed, this bill would allow municipalities to assess commercial and residential properties at different levels of market value, say, 20% for residential and 75% for commercial. It would also allow for varying rates of taxation applied to different categories, i.e., 5 mills for residential and 20 mills for commercial.

However, the bill could also cost the state millions of dollars of revenue received through assessment of oil and gas properties provided for under AS 43.56. This statute requires the state to levy a 20-mill property tax on all oil and gas property throughout the state and to give a credit to oil and gas property owners for any taxes paid to a local government.

In oil-rich communities where the value of AS 43.56 property is a very high percentage of the total tax base, it is conceivable that those communities could exempt all residential property from property taxes and pass the burden to the commercial and industrial property with a higher mill rate. Under this scenario, the tax burden would be paid by the few local commercial property owners and the oil and gas industry. AS 43.56 currently does not prevent this type of burden shifting if the tax levy on oil and gas property is no higher than the rate applicable to other property taxable by the municipality.

It is impossible to estimate what municipalities would do if this legislation passes. However, in order to estimate the worst-case scenario, the assumption was made that the four municipalities with large amounts of AS 43.56 property within their boundaries would completely exempt all residential property and shift the burden to commercial, industrial and AS 43.56 property. Using this assumption, the state could lose in excess of \$20 million of oil and gas property tax revenue a year within those municipalities that are currently incorporated as boroughs. The revenue loss could be much higher if areas such as the Copper River and Delta/Greeley areas incorporated and levied a property tax in a similar fashion.

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HB 217
 () Publish Date: _____

Revision Date/Time (Note if correction): 04/18/2001 3:35p.m. Dept. Affected: DCED
 Title: MUNICIPAL PROPERTY ASSESSMENT BRU: Comm.Asst & Econ.Dev
AND TAX Component: Community & Business
 Sponsor: Representative Kohring Development
 Requester: House CRA Component Number: 2486

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES (GF)	0.0	0.0	0.0	0.0	0.0	0.0
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1156 RSS						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2001) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

HB 217 removes the equity requirement in property assessment and taxation. It eliminates current language which requires all property subject to an ad valorem tax be taxed at the same rate during the year.

HB 217 would also allow municipalities to adopt varying levels of assessment and extend the municipal exemption authority outside the mandatory or optional exemptions provided for in AS 29.45.030 and AS 29.45.050. If passed, this bill would allow municipalities to assess commercial and residential properties at different levels of market value, say, 20% for residential and 75% for commercial. It would also allow for varying rates of taxation applied to different categories, i.e., 5 mills for residential and 20 mills for commercial.

(continued on separate page)

Prepared by: Steve VanSant, State Assessor Phone 907-269-4605
 Division Community and Business Development Date/Time 4/18/2001 3:35p.m.
 Approved by: Commissioner Deborah B. Sedwick Date 4/18/2001
 Agency Department of Community & Economic Development

For distribution information, call the Governor's Legislative Office

HB 217 - Analysis continued:

However, the bill could also cost the State of Alaska millions of dollars of revenue received through assessment of oil and gas properties provided for under AS 43.56. This statute requires the state to levy a 20 mill property tax on all oil and gas property throughout the state and give a credit to the oil and gas property owners for any taxes paid to a local government.

In "oil rich" communities where the value of AS 43.56 property is a very high percentage of the total tax base, it is conceivable that those communities could exempt all residential property from property taxes and pass the burden on to the commercial and industrial property with a higher mill rate. Under this scenario, the tax burden would be paid by the few local commercial property owners and the oil and gas industry. AS 43.56 currently does not prevent this type of burden shifting, if the tax levy on oil and gas property is no higher than the rate applicable to other property taxable by the municipality.

It is impossible to estimate what municipalities will do if this legislation passes, however, in order to estimate the "worst case scenario", the assumption was made that the four municipalities with large amounts of AS 43.56 property within their boundaries would completely exempt all residential property and shift the burden to commercial, industrial and AS 43.56 property. Using this assumption, the state could lose in excess of \$20 million of oil and gas revenue within only those municipalities which are currently incorporated as boroughs. The revenue loss could be much higher if areas such as the Copper River and Delta/Greeley areas incorporated and levied a property tax in a similar fashion.

ALASKA STATE LEGISLATURE



Interim:
600 East Railroad Avenue
Wasilla, Alaska 99654
(907) 373-1842
Fax -(907) 373-4729

Session:
State Capitol Building, Room 24
Juneau, Alaska 99801-1182
(907) 465-2186
Fax - (907) 465-3818

REPRESENTATIVE VIC KOHRING
DISTRICT 26

Memorandum

To: Representative Morgan
Representative Meyer

From: Representative Kohring *Vic*

Date: April 5, 2001

Re: House Bill 217

I respectfully request a hearing of House Bill 217, 'An act relating to municipal property assessment and taxation; and providing for an effective date,' in the Community and Regional Affairs committee.

Attached is a packet of materials, including a copy of the bill, the sponsor statement, a sectional analysis, and a letter of support.

Thank you for your consideration.



CITY OF WASILLA

APR 02 RECD

290 E Heming Avenue
Wasilla, AK 99654-7091
Phone: (907) 373-9050
Fax: (907) 373-9092

March 28, 2001

Dear Rep. Kohring,

I wish to add my "two-cents" regarding HB 217, "An act relating to municipal assessment and taxation; and providing for an effective date".

I applaud legislators like you, Rep. Vic Kohring, who will consider measures that permit municipalities to exercise self-governance and local control over the manner in which taxes are collected in our Alaska communities.

Although I have not had the opportunity to digest all aspects and consequences of the proposed HB 217, I do appreciate your efforts to introduce proposals that help keep local governments accountable. I believe this bill will assist in this mission of trying to keep government accountable to our residents, and it can help local governments stay fiscally conservative.

Thank you for your work on this and other issues that lead to more self-governance for municipalities, and that allow local control over other issues, as well.

Sincerely,

Mayor Sarah Palin

ADMINISTRATION Phone: (907) 373-9055 Fax: (907) 373-9096	CLERK'S OFFICE Phone: (907) 373-9090 Fax: (907) 373-9092	FINANCE Phone: (907) 373-9070 Fax: (907) 373-9085	LIBRARY Phone: (907) 376-5913 Fax: (907) 376-2347	MUSEUM Phone: (907) 373-9071 Fax: (907) 373-9072
PARKS AND RECREATION Phone: (907) 373-9053 Fax: (907) 373-9092	PLANNING Phone: (907) 373-9094 Fax: (907) 373-9089	POLICE Phone: (907) 373-9077 Fax: (907) 373-9051	PUBLIC WORKS Phone: (907) 373-9095 Fax: (907) 373-9054	

APR 10 REC'D



April 5, 2001

Representative Kohring
State Capital Room #24
Juneau, Alaska 99801

Dear Representative Kohring:

I am writing to express my support for House Bill No. 217, which allows municipalities to effect home rule regarding real property assessment and taxation.

I strongly support the proposed amendments to AS 29.45.110 (a), which will allow municipalities to exercise self-governance and local control over the manner in which real property within their jurisdiction is assessed and taxed.

Your action to sponsor legislation that recognizes the diversity of Alaskan communities, and the unique challenges our local governing bodies must address is very much appreciated.

Sincerely,

A handwritten signature in cursive script, appearing to read "Bert L. Cottle".

Bert L. Cottle, Mayor
City of Valdez

ALASKA STATE LEGISLATURE



Interim:
600 East Railroad Avenue
Wasilla, Alaska 99654
(907) 373-1842
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Session:
State Capitol Building, Room 24
Juneau, Alaska 99801-1182
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Fax - (907) 465-3818

REPRESENTATIVE VIC KOHRING DISTRICT 26

Sectional Analysis

HB 217, "An Act relating to municipal property assessment and taxation; and providing for an effective date."

Section 1. Eliminates the requirement that ad valorem property taxes be levied at the same rate.

Section 2. Modifies the definition of "full and true value" to be the price that the property would bring in an open market on the date of assessment in a sale between a willing seller and willing buyer both conversant with the property and with prevailing general price levels.

Section 3. Permits a municipality to classify property on the basis of use for the purposes of assessment and taxation. Permits a municipality to provide varying rates of taxation, assessment standards, or exemptions or partial exemptions for different classes of property. Permits the initiative and referendum process to be used to classify property and set tax rates.

Section 4. Adds a severability clause.

Section 5. States that this law will take effect on January 1, 2002.

ALASKA STATE LEGISLATURE



Interim:

600 East Railroad Avenue
Wasilla, Alaska 99654
(907) 373-1842
Fax - (907) 373-4729

Session:

State Capitol Building, Room 24
Juneau, Alaska 99801-1182
(907) 465-2186
Fax - (907) 465-3818

REPRESENTATIVE VIC KOHRING DISTRICT 26

Sponsor Statement

HB 217, "An act relating to municipal property assessment and taxation; and providing for an effective date"

AS 29.45.090 and AS 29.45.110 deal with the manner in which property, both real and personal, is assessed and taxed. Currently, under AS 29.45.090(a) all municipalities must assess and tax all property within their boundaries in the same manner.

House Bill 217 eliminates the requirement that municipalities assess and tax all property in the same manner. HB 217 adds a subsection to AS 29.45.110 that permits municipalities to classify property based on use and to apply different rates of taxation, assessment standards, or exemptions for different classes of property.

This bill recognizes that because of their diversity, Alaska's communities operate most efficiently when each can control its municipal functions as much as possible. Taxation is a municipal function. HB 217 simply allows municipalities to exercise self-governance and local control over the manner in which property within their jurisdictions is assessed and taxed.

HB

289

Alaska State Legislature

Rec'd 2/19
1/23

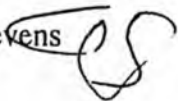
SESSION ADDRESS:
Alaska State Capitol
Juneau, Alaska 99801-1182
(907) 465-4925
Fax: (907) 465-3517
Toll Free: 1-800-821-4925

INTERIM ADDRESS:
112 Mill Bay Road
Kodiak, Alaska 99615
(907) 486-4925
Fax: (907) 486-5264

Representative Gary Stevens

MEMORANDUM

To: Representative Carl Morgan
Chair, House Community and Regional Affairs

From: Representative Gary Stevens 

Date: January 23, 2002

Re: HB 289

I would respectfully request a hearing on HB 289, "Effective Date of a Municipal Manager Plan and the Repeal of a Municipal Manager Plan" at your earliest convenience.

Thank you for your consideration of the request.

Alaska State Legislature

SESSION ADDRESS:
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(907) 465-4925
Fax: (907) 465-3517
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INTERIM ADDRESS:
112 Mill Bay Road
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Representative Gary Stevens

SPONSOR STATEMENT

House Bill 289

Effective Date of a Municipal Manager Plan and the Repeal of a Municipal Manager Plan

HB 289, "An Act relating to the effective date of a municipal manager plan that has been adopted and to the effective date of the repeal of a municipal manager." would ensure that a change in the form of government will not affect an existing mayor.

Alaska's local governments operating under a strong mayor or manager system are subject to change through voter action. This system ensures citizens have the right to choose the type of local government they prefer. At the same time, changing from a strong mayor to a mayor/manager form of government or vice-versa can create confusion for voters who are unclear what office a candidate is actually seeking. Additionally, candidates who are running for mayor, may be elected to a position in which they had no intention of serving.

HB 289 amends **Section 1. AS 29.20.480(a)** to read: **The manager plan takes effect on the day after the last day of the term of mayor in office on the date the plan is adopted by the governing body.** The bill also amends **Sec. 2 AS 29.20.520** to read: **The reorganization provisions take effect on the day after the last day of the term of mayor in office on the date the provisions are enacted.**

While it is reasonable to assume that municipal government officials will coordinate administration changes in a manner that will protect the community and its citizens, HB 289 will ensure that happens. This bill will also clear up any confusion in a municipal government change, by putting those provisions into statute. I urge you to join me in supporting this bill.

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

January 22, 2002

SUBJECT: Sectional summary (HB 289)

TO: Representative Gary Stevens
Attn: Doug Letch

FROM: Tamara Brandt Cook
Director

TBC

Sec. 1. Under existing law when a manager plan is approved by the municipal voters, the governing body must adopt the plan. Under this change, the plan will not take effect until after the term of the mayor in office when the plan is adopted.

Sec. 2. Under existing law when a manager plan is repealed the governing body must enact reorganization provisions. Under this change, those provisions will not take effect until after the term of the mayor in office when the provisions are enacted.

Note that the statutes that deal with municipal manager plans are not now limitations on home rule municipalities and do not limit home rule municipalities under this bill.

TBC:med
02-040.med

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Representative Gary Stevens

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Representative Gary Stevens

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Chair, House Community and Regional Affairs

From: Representative Gary Stevens *GS*

Date: January 23, 2002

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FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: SS HB 289
 () Publish Date: _____

Revision Date/Time (Note if correction): 2/19/2002 Dept. Affected: _____
 Title Municipal Manager Plan BRU _____
 Component _____
 Sponsor Rep. Stevens
 Requester House C&RA Committee Component No. _____

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2002) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Lorali Carter
 Division Committee Aide, House C&RA
 Approved by: _____
 Agency _____

Phone 465-6588
 Date/Time 2/19/02 9:10 AM
 Date 2/19/2002