

ALASKA LEGISLATURE COMMITTEE FILES 2001-2002 0012

10178 HOUSE COMMUNITY & REGIONAL AFFAIRS

HB

296

2/28

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: Representative Carl Morgan, Co-Chair Community & Regional Affairs
Representative Kevin Meyer, Co-Chair Community & Regional Affairs

From: Representative Jim Whitaker

Re: Hearing Request, HB 296, Municipal Mergers and Consolidation

Date: 2/20/02

HB 296, Municipal Mergers and Consolidation, has been referred to the House Community and Regional Affairs Committee. I respectfully request a hearing of this bill before the committee at your earliest possible convenience.

Persons who may wish to testify include:

Mayor Steve Thompson, City of Fairbanks: 907-459-6715
Kevin Waring, Chairperson, Local Boundary Commission: 907-269-4559
Deborah Sedwick, Commissioner, Dept. of Community and Economic Development:
907-465-2500

By: Bonnie Williams
Introduced: 02/14/02
Adopted: 02/14/02

RESOLUTION NO. 2002 - 13

A RESOLUTION SUPPORTING HB 296 AN ACT MAKING CONSOLIDATION
STATUTES FAIR TO ALL PARTIES BY UPHOLDING GOVERNMENT BY THE
CONSENT OF THE GOVERNED

WHEREAS, in the year 2001 the citizens of the Fairbanks North Star Borough and especially the City of Fairbanks went through a long, bitter and difficult struggle over the issue of consolidation; and

WHEREAS, the outcome of that struggle could have resulted in the elimination of the City of Fairbanks against the majority view of the residents of that city under current state law; and

WHEREAS, such an outcome would be an outrageous abuse of governing with the consent of the governed; and

WHEREAS, the city of North Pole could then subsequently have been similarly deprived of its right of self-rule.

NOW, THEREFORE, BE IT RESOLVED, that the Fairbanks North Star Borough Assembly supports Representative Jim Whitaker's HB 296, which corrects this gross inequity.

BE IT FURTHER RESOLVED, that copies of this resolution be forwarded to all members of the Alaska State House and State Senate, and to the Governor of the State of Alaska.

PASSED AND APPROVED THIS 14 DAY OF FEBRUARY, 2002.

Hank Bartos

Hank Bartos
Presiding Officer

ATTEST:

Mona Lisa Drexler, CMC

Mona Lisa Drexler, CMC
Municipal Borough Clerk

Ayes: Williams, Solie, Cummings, Foote, Holm, Henry, Webb, Hutchison, Sattley, Bartos

Noes: Beck

Alaska State Legislature

Representative Jim Whitaker
House of Representatives
District 31



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Sponsor Statement

HB 296 – Municipal Consolidation

Within Alaska statutes, Title 29 allows municipalities to merge by consolidation or unification. Through the years, many communities have attempted to merge through this process, some successfully, some not so successfully. It is through those efforts that deficiencies in fair voting practices surrounding municipal mergers has come to light.

HB 296 seeks to establish a more fair and timely process in the petition and election of municipal mergers by limiting the time allowed for gathering signatures as well as setting clear requirements for how the outcome of the election is to be determined.

HB 296
Municipal Mergers & Consolidations

Section 1 – Amends AS 29.06.100 (a) to limit the time period in which a petitioner may gather signatures for a petition to consolidate. The new time period will be 365 days prior to filing the petition with the LBC.

This removes the potential for signatures to be gathered over the course of several years, with the possibility that many of the signatures may be of persons who no longer reside within the jurisdiction.

Section 2 – Amends AS 29.06.140(a) to require a majority of the votes in each of the municipalities proposed to be merged or consolidated in order for the question to pass.

This assures that a merger or consolidation will be decided by the majority of the voting residents of each of the communities in the proposal.

Section 3 – Amends AS 29.06.140(b) to disallow the formation of a service area to be part of a merger or consolidation petition or question on the ballot.

This prevents a “dual question” vote, wherein a vote to consolidate would also form a service area.

HB

299

Diu _____
3/26



REPRESENTATIVE FRED DYSON

Alaska State Legislature

MEMORANDUM

- Interim (May-Dec) -
10928 Eagle River Rd., Suite 140
Eagle River, Alaska 99577
☎ (907) 694-6683
FAX (907) 694-1015

January 21, 2002

- Session (Jan-May) -
Alaska State Capitol
Juneau, Alaska 99801-1182
☎ (907) 465-2199
FAX (907) 465-4587

To: Representative Morgan, Co-Chair
House Community and Regional Affairs Committee

From: Fred Dyson
State Representative

Toll free (800) 342-2199

RE: Request for scheduling HB 299 for HCRA Committee

HB 299, Naming and Renaming Alaska Geographic Features.

I respectfully request scheduling of HB 299 at your earliest convenient time.

Thank you.

- E-mail -
Representative_Fred_Dyson
@Legis.state.ak.us

- Internet -
<http://www.akRepublicans.org>



Alaska State Legislature

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REPRESENTATIVE FRED DYSON

HB 299, ALASKA NAMES FOR ALASKA PLACES

The names of Alaska's geographical features come from a variety of sources, many of which have no connection or relevance to Alaska or its peoples.

This legislation will allow the State Place Names Commission to begin to substitute relevant Alaskan names that are local Alaskan Native names, honor a local citizen, honor a famous Alaskan, uniquely describe an identifying feature, or describe a local event.

A companion resolution will encourage the US Geological Bureau to follow the lead of the State Agency in renaming the features on Federal maps and documents.

"Many of Alaska's geographical names were given by European explorers to honor a benefactor or curry favor with some powerful politician or ruler. Some of these people never saw Alaska or made any contribution to it. Most of the European explorers had no concept of recognizing the contributions and names used by Alaska's Native people who had been here for at least 10,000 years. Some of the American, Asian, Canadian, and European settlers who later came to Alaska made profound contributions to Alaska. It is far more fitting that our geographical place names should honor its people instead of the Alma Mater of some rich tourist on a quasi-scientific expedition. HB 299 encourages the Alaska Naming Commission to do the research and suggest more appropriate ALASKAN names.

Alaskans tend to give rivers, bays, glaciers, mountains and lakes far more descriptive names than did the Europeans. "Purgatory Creek" and "Murder Lake", are descriptive of conditions and events. "Looks like a Neck" is far more apropos than "Bainbridge Passage". "Place of the Last Great Battle" is much more colorful than "Green Lake".

Under the Alaska Native Lands Claim Act, Section H, a group under the US Department of the Interior, has done extensive work researching Native place names. The Native Language School at the University of Alaska in Fairbanks also has a large amount of similar information.

HB 299 will begin a public process that will hopefully result in more appropriate Alaska place names and the honoring of the native and non-native people who actually lived here or made a contribution to Alaska. We have too long a history of people from somewhere else coming here and taking our furs, gold, timber, fish, and oil and going back south. At least, with this legislation, we have a chance to take back some of our geographical names.

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FISCAL NOTE

**STATE OF ALASKA
2002 LEGISLATIVE SESSION**

Fiscal Note Number: _____
 Bill Version: HB 299
 () Publish Date: _____
 Dept. Affected: Natural Resources
 BRU: Parks & Recreation Mgt
 Component: State Historic Pres.
 Component Number: 451

Revision Date/Time (Note if correction): _____
 Title: Alaska Place Names
 Sponsor: Rep. Dyson
 Requester: (H) CRA

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	60.0	61.3	62.6	63.9	65.2	66.5
Travel	9.0	9.0	9.0	9.0	9.0	9.0
Contractual	25.1	25.1	25.1	25.1	25.1	25.1
Supplies	2.5	2.5	2.5	2.5	2.5	2.5
Equipment	5.0	2.0	2.0	2.0	2.0	2.0
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	101.6	99.9	101.2	102.5	103.8	105.1

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	101.6	99.9	101.2	102.5	103.8	105.1
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	101.6	99.9	101.2	102.5	103.8	105.1

Estimate of any current year (FY2002) cost: none
 Check this box (X) if funding for this bill is included in the Governor's FY2003 budget proposal:

POSITIONS

Full-time	1	1	1	1	1	1
Part-time						
Temporary						

(Attach a separate page if necessary)

This estimate is based on adding a full-time Historian position (Range 16) and using a quarter of one existing position (that would be pulled off of federal grant projects) to conduct research, public meetings, coordinate with DNR mapmakers, coordinate with the U.S. Board on Geographic Names and USGS mapmakers, and prepare documentation for proposing to change 15-18 place names annually. An additional day meeting would be needed for the AK Historical Commission to consider proposals and take public testimony.

Prepared by: Joan Antonson Phone 269-8714
 Division: Parks Date/Time 18-Mar-02
 Approved by: Pat Pourchot Date 18-Mar-02
 Agency: Natural Resources

ANALYSIS: (continued)

DNR Map and Plat Updates. Assuming that 5-6 name changes are approved per year, DNR will need to provide updates of maps and plants. Further assuming that changes to names are only posted when a map or plat is being updated for other purposes such as adding new mining claims, adding new state title, or new publication of joint state and federal land ownership maps, we estimate that one quarter of a full-time Cartographer II would be needed. Over time all the name changes would be incorporated to state maps and plats. A cross reference database would also need to be maintained between state and federal names if the two authorities do not agree. The estimated cost is \$15.0 per year for RSA support (in 300 contractual funds) of a Cartographer II in the Information Resource Management Component of DNR.

The numbers do not consider the difficulties of dual names for geographic features and private sector expenses for this.



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REPRESENTATIVE FRED DYSON

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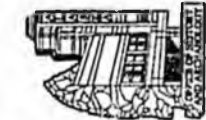
- Internet -
<http://www.akrepUBLICANS.org>

Alaska's Place Names

Alaska's Native people, along with explorers and settlers from Europe and America, gave names to many Alaskan communities and geographic features. A record of these geographic names can be found in the *Dictionary of Alaska Place Names* by Donald Orth (1967) and *Alaska Place Names* by Alan Edward Schorr (1991).

Not all features in the state have been named. Naming geographic features needs to be done carefully and thoughtfully. Place names should identify significant places. Reasons to name a feature include safety, education, and area administration. It is important that a proposed name have an association with the location.

The Alaska Historical Commission, a citizen board of the State of Alaska, reviews names proposed for lakes, streams, mountains, and other physical features in the state. The commission coordinates its program with the U.S. Board on Geographic Names.



The Alaska Historical Commission
The Office of History and Archaeology
Division of Parks and Outdoor Recreation
Alaska Department of Natural Resources
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ALASKA'S GEOGRAPHIC NAMES PROGRAM

A responsibility of the
ALASKA
HISTORICAL COMMISSION



The Alaska Historical Commission

Since 1993 the Alaska Historical Commission has served as the geographic names board for the State of Alaska. Its powers, duties, and authority in the naming of geographic features in Alaska are defined in Alaska Statute 41.35.350. The commission has been directed to:

- determine the correct and most appropriate names of geographic features in the state and their spelling;
- pass upon and give names to geographic features in the state for which no single generally acceptable name has been in use;
- cooperate with the local subdivisions of government and, with their approval, change the names of geographic features to eliminate duplication of names in the state;
- serve as the state representative of the U.S. Board on Geographic Names and cooperate with that board so that there is no conflict between state and federal designations of geographic features in the state.

In addition, the statute directs the Alaska Historical Commission to consider using Alaska Native place names for geographic features in the state that have not been named.



Guidelines

The Alaska Historical Commission has established guidelines which it uses along with the policies of the U.S. Board on Geographic Names.

§ Local Usage

- The name has been used for years by the community
- The name is supported by local residents and there is published evidence of verbal or written usage

§ Descriptive Names

- The name is relevant to and descriptive of the feature
- The name is not in use elsewhere in the region

§ Commemorative Names

- The individual has been deceased for at least five years
- The person made a noteworthy contribution to Alaska
- The individual had a direct, long term association with the feature
- The name is supported by residents of nearby communities

§ Historical Names

- The authenticity of the name can be established
- The name is clearly associated with the area

§ Alaska Native Names

- The name is in common local usage
- The name is linguistically appropriate to the area in which it is to be applied
- The name is pronounceable without considerable difficulty
- The land owner, if on Native land, supports the proposed name in writing

§ Name Changes

- The current official name is derogatory to any radical, ethnic, gender, or religious group

- The current official name is duplicative and causing confusion
- Evidence of extensive local support by authorities and residents is provided

§ Other

- There is an overriding need to name a feature within a wilderness area (for purposes of safety, education, or area administration), and the land manager has been consulted and given the opportunity to comment on the proposed name
- An existing name is applied to a related feature, *i.e.* the name of a mountain is applied to an unnamed glacier that is part of it
- A spelling that includes diacritical marks includes substantial evidence of active local use, such as official records, maps, and signs, in the area where the feature is located

Application Process

Applicants are encouraged to study the guidelines before they complete an application. Supplemental information, such as letters from community leaders, area residents, and local organizations, is often helpful.

Prior to review by the Alaska Historical Commission, staff contact appropriate land managers, Native corporations and councils, and communities to obtain comments on proposed names. The Alaska Historical Commission meets three times a year.

The commission's recommendation is forwarded with the proposal to the U.S. Board on Geographic Names for review. The U.S. Board sets national policies and procedures relating to both domestic and foreign place names. It is the final word on choice, spelling, and official use of place names in the U.S.

The process of naming a geographic feature takes at least a year.



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Toll free (800) 342-2199

66:
REPRESENTATIVE FRED DYSON

15 November, 2001

Alaska Historical Commission
550 W 7th Avenue, Suite 1310
Anchorage, Ak 99501

Sub: Alaska Names for Alaska Places

Like most Alaskans with a sense of our history I resent on some level the fact that so many Alaskan place names commemorate some person whom has never been here or done anything for us. It fits into our historical pattern of people from somewhere else coming here to take our firs, fish, gold, oil, timber, heritage, and artifacts and carting them off to Russia, China, Europe, the Lower 48, Seattle/Tacoma, Portland, or San Francisco. There is no reason why they should also dominate our place names too.

We have places like Prince Williams Sound that is named after the British King's incompetent son, neither of which ever saw Alaska or ever indicated any interest in our State.

The Eklutna People in my district have many very colorful names for local geographical features. They say that Green Lake on Elmendorf Air Force Base should be called the "Place of the Last Great Battle". They also say that Point Waranzoff should be called "the place where we killed the raiders from over the portage.". I think those are far more interesting and fitting then the "official" names

The Department of Interior has a significant effort going forward to record traditional Native names for geographical places and preserve them before they are lost forever. Many Alaska Native groups are working to preserve their heritage and we in the legislature are wanting to do all we can to repair and preserve the relationships between rural and urban, Native and Non-Native Alaska.

With this in mind, I am interested in giving you the mission to research the Alaska Place Names that have no direct Alaska connection and suggest more appropriate Native Alaskan or Alaskan based names. I have attached the correspondence that I have exchanged with our Legislative Research Department. I do not want to initiate anything foolish or improper so I am asking for input from the Historical Commission to guide me. I would be glad to meet with you to discuss this at your convenience.

Sincerely,

A handwritten signature in cursive script that reads "Fred Dyson".

Fred Dyson
State Representative

Enclosure (s)

- E-mail -
Representative_Fred_Dyson
@Legis.state.ak.us

- Internet -
<http://www.akRepublicans.org>

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

October 5, 2001

SUBJECT: Alaska Place Names (Work Order No. 22-LS1122)

TO: Representative Fred Dyson

FROM: Kathryn L. Kurtz *KK*
Legislative Counsel

OCT 9 2001

COPY

You asked about actions needed to permit the Alaska Historical Commission to change Alaskan place names to names with Alaskan origins, as well as how to persuade the federal government to adopt any changes made by the Alaska Historical Commission.

Short Answer

The Alaska Historical Commission could be instructed by statute to review Alaska place names and make changes according to revised naming criteria. The Alaska Legislature could also use a joint resolution to recommend that the U.S. Department of the Interior make it a policy to adopt any name changes made by the Alaska Historical Commission, but the Department would not have any obligation to follow this suggestion.

Explanation

At the state level, Alaska place names are determined by the Alaska Historical Commission. The commission is charged with identifying the "correct and most appropriate" names of geographic features in the state, naming features for which no single generally acceptable name has been in use, as well as cooperating with the U.S. Board on Geographic Names "so that there is no conflict between the state and federal designations of geographic features in the state." AS 41.35.350(a)(13), (14), and (17). A name given by the commission is the official name of that feature, to be used in all maps and publications of the state and its political subdivisions. AS 41.35.350(d). At the federal level, the U.S. Board on Geographic Names is responsible for standardization of geographic names for all materials published by the federal government. 43 U.S.C. 364e.

The duties of the Alaska Historical Commission are defined in statute; they could be changed by amending AS 41.35.350. If you would like the commission to review existing place names, and change existing place names that do not have Alaskan origins, that direction could be added to the existing statute. Any changes made by the commission would become official for purposes of state publications. However, federal publications would not be affected unless the changes are also adopted by the U.S. Board on Geographic Names.

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ALASKA HISTORICAL COMMISSION GUIDELINES FOR GEOGRAPHIC NAME PROPOSALS

Local usage

Local usage is the single, best reason to name a geographic feature. Local usage refers to a name for a geographic feature that has evolved over a period of years, is called that name by the community or area as a whole, and is supported by local petitions, diaries, oral histories, and documents or other publications. A feature named by the applicant is not considered local usage, even when the applicant has called the feature by that name for a number of years.

The Alaska Historical Commission will consider if:

- the proposal includes published evidence of verbal or written usage, petitions signed by local residents, and resolutions or letters of support from government entities and community groups

Descriptive names (includes features named by applicant)

The Alaska Historical Commission will consider if:

- the name is relevant and descriptive of the feature
- the name is not in use elsewhere in the region
- the name is in good taste and not frivolous

Commemorative names (please read the following page)

The Alaska Historical Commission will consider if:

- the individual has been deceased for five (5) years and evidence of this is provided
- the individual made a significant contribution to Alaska
- the individual had a direct, long term association with the feature
- evidence of local support by authorities and residents is provided

Historical names

The Alaska Historical Commission will consider if:

- the authenticity of the name can be established
- the name is clearly associated with the area

Native American names

The Alaska Historical Commission will consider if:

- the name is in common local use and that use is documented
- the name is pronounceable without considerable difficulty
- the name is linguistically appropriate to the area in which it is to be applied
- the land owner, if on Native land, supports the proposed name in writing

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Name changes

The Alaska Historical Commission will consider if:

- the current official name is derogatory to any racial, ethnic, gender, or religious group
- the current official name is duplicative and causing confusion
- evidence of extensive local support by authorities and residents is provided

Other

The Alaska Historical Commission will consider if:

- there is an overriding need to name a feature within a wilderness area (for purposes of safety, education, or area administration), and the land manager has been consulted and given the opportunity to comment on the proposed name
- an existing name is applied to a related feature, *i.e.* the name of a mountain is applied to an unnamed glacier that is part of it
- a spelling that includes diacritical marks includes substantial evidence of active local use, such as official records, maps, and signs, in the area where the feature is located

All proposals must be accompanied by relevant U.S. Geological Survey 1:63,360 or 1:25,000 scale topographical maps. The feature to be named must be marked on the map. The applicant must clearly express reasons why the feature needs to be named. Photographs and other identifying aids are useful, but not required. Evidence of local support, in the form of letters, petitions, and newspaper articles and letters to the editor, showing public awareness and endorsement of the proposed name is encouraged.

COMMEMORATIVE NAMES

A commemorative name of a geographic feature is to honor and recognize an individual who has made an outstanding or noteworthy contribution to an area or the state, or is a national or international figure. A commemorative place name is not intended to memorialize a family member or friend.

Proposals containing a given name (first or last) or nickname of an individual are considered commemorative. The full name of a person as part of a geographic name normally is not approved unless surname use alone would be ambiguous.

The person must have been deceased *for at least five (5) years* before the Alaska Historical Commission will consider the proposal. An obituary and biography of the individual must be part of the proposal.

The person should have a *direct association* with the feature, or have made a *significant contribution* to the area in which it is located.

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E-Mail: <oha@alaska.net>

Direct association. The individual should have been physically present at, or in the vicinity of, the feature for several years; or engaged in some activity that affected the feature; or spent a great deal of time at or in the vicinity of the feature. A person's death on or at a feature, such as a mountaineering accident or plane crash, or the mere ownership of land or the feature, does not normally meet this criterion. Similarly, recreational use of or visits to a feature does not normally meet this criterion.

Significant contribution. The contribution that the individual has made must be notable, of consequence, and have had a noticeable impact on the community, region, or state. A significant contribution is an extraordinary effort, achievement, or impact. It may come from the individual's work, professional or civic activities, and can be in the social, political, economic, scientific, or cultural areas. The significant contribution should have benefited Alaskans beyond the individual's immediate circle of family and friends. Generally, these individuals will have been recognized through a letter of thanks from the Governor, certificates of appreciation from an agency or group, awards, newspaper articles featuring the contribution made, dedication of local man-made features (park, street, garden, building), inclusion in *Who's Who*, etc. The individual might be a historical figure.

Features can be named for persons who made a significant contribution nationally or internationally, especially if the individual made advancements in the area of global peace or cooperation, made the nation or planet a better place to live, or made an exceptional and unique contribution to the nation or planet in the social, political, economic, scientific, or cultural areas. In such instances, the requirement of direct association does not need to be met.

Commemorative name proposals must include evidence of local support by authorities and residents attesting to the individual's association with the feature and significant contribution.

[adopted by the Alaska Historical Commission 12/03/98]

Prudhoe Bay's namesake found at end of a long trail

By MICHAEL CAREY

Prudhoe Bay, the largest oil field in North America, takes its name from the waters that edge the field along the North Slope.

But who named this place that brought Alaska so much wealth?

Open Orth's "Dictionary of Alaska Place Names" You will easily find that Sir John Franklin of the royal navy put Prudhoe on the map.

Unfortunately, you will find another source to discover who or what Prudhoe was. Orth goes no further.

Sir John Franklin was the most celebrated arctic explorer of his day.

In 1825, the British admiralty dispatched Franklin and a small party of sailors, supported by Canadian voyagers and Canadian Eskimo guides, to the northern latitudes of far western Canada in search of the Northwest Passage.

They were to float down the Mackenzie River — which runs north — in summer 1826, mapping the country and gathering scientific information.

At the Mackenzie mouth, they were to row westward.

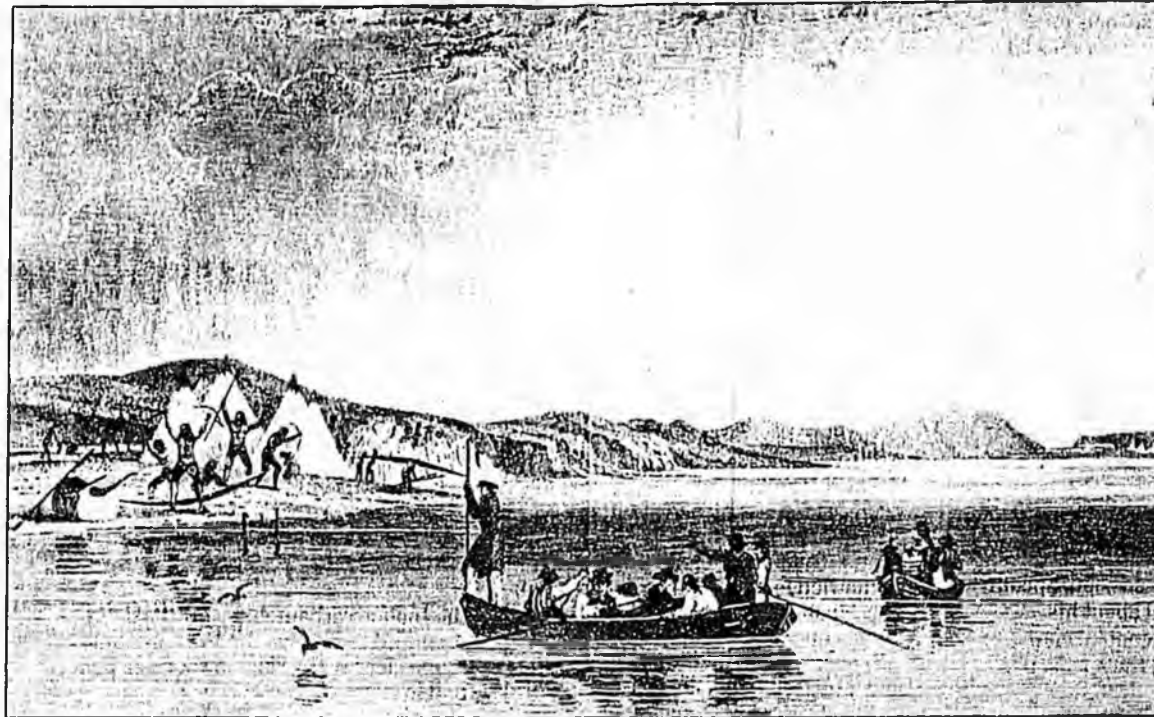
Somewhere east of what is now Barrow, Franklin would meet Capt. F.W. Beechey and the HMS Blossom, arriving after a two-year voyage from Britain.

Apparently no one in the admiralty — or Beechey or Franklin — thought it unusual to send Beechey on such a time-consuming pickup mission.

Franklin left home in February 1825. By August, his men were on the Mackenzie, traveling in three boats of mahogany and ash, 24 feet to 26 feet long, built in Britain, hauled across Canada.

Franklin was convinced he could make saltwater before freezeup, if for a brief look, and did so. The only non-Native to proceed him was Alexander Mackenzie, namesake of the river, in 1789.

Franklin and his troop wintered at hastily built Fort Franklin on Bear Lake, perhaps 600 miles from the Mackenzie mouth. With Natives and their families who joined them, about



From John Franklin's "Narrative of a Second Expedition to the Polar Sea"

This drawing by E.N. Kendall shows an "Esquimaux encampment on Richard's Island."

50 people lived at the fort.

Everyone kept busy hunting for food.

Franklin's men also gathered scientific information, especially about the weather, hours of daylight, and the behavior of the aurora. (Occasionally their natural history is a bit strange, such as their reference to "herring salmon.")

The temperature on Jan. 1, 1826, hit minus 49, lowest of the winter, but did not interfere with a New Year's Day party, where English, French, Gaelic and Indian songs echoed through the fort.

Franklin again set forth for the Arctic Ocean in July 1826 after splitting up his party.

Dr. John Richardson, surgeon and naturalist, took 14 men to explore the coast east of the Mackenzie. They were to return home through Canada, not rendezvous with Beechey, and so they did after mapping 863 miles of coastline.

By Aug. 16, Franklin and 14 sailors, plus their Eskimo translator, Augustus, had reached Prudhoe Bay.

Franklin, who had been at sea since a teen, was not one to complain. Yet imagine rowing and pulling loaded boats through ice, wind, rain and fog for hours on end. Some days the mariners, legs swollen by freezing water, made only a few miles.

It is a tribute to the British navy that the men were never openly fearful, confused or hesitant.

It is also a tribute to Franklin that he got along so well with, in his spelling, the "Esquimaux." Yes, the two cultures had run-ins. Some Eskimos apparently plotted to murder Franklin and his company.

Still, Franklin showed great patience in the face of provocation, in part because he realized his chance of survival would diminish if he fought the Natives as well as the

elements.

He surely was mindful as well that Natives had saved his life in 1821 when he faced starvation during his first visit to the Canadian Arctic, a trip down the Coppermine River.

Shortly after reaching Prudhoe Bay, Franklin realized that with another winter approaching the risk of continuing was too great. Thus, he turned his boats eastward, abandoning the plan to join Beechey, who unknown to him was but 160 miles away.

The explorers retreated to Fort Franklin and wintered there.

In the spring, Franklin returned to London a hero. He would remain a national figure well after he perished in 1847, deep in the Canadian Arctic, on yet another search for a northern route from Britain to the Orient.

The accolades Franklin received for reaching the Arctic were deserved. He also deserves credit for producing the first map of the waters

The temperature on Jan. 1, 1826, hit minus 49, lowest of the winter, but did not interfere with a New Year's Day party, where English, French, Gaelic and Indian songs echoed through the fort.

from the Mackenzie to Beechey Point, about 374 miles.

Franklin's name-dropping atop his map may seem like cultural imperialism. After all, the Eskimos had their names, and the Russians claimed Alaska.

Sir John Franklin was following the royal navy's mandate. The navy assumed a common nomenclature was essential for those Englishmen who would follow Franklin.

In the 20th century, English followers included the men and women of British Petroleum, a development that no doubt would have pleased the admiralty.

As for Prudhoe Bay, Anchorage writer and filmmaker Nan Elliot can tell us the name's source.

Franklin invoked Prudhoe, Elliot says, to honor Baron Prudhoe, an admiral who patronized science and exploration. The baron, Elliot notes, "was tall and fair and described by his contemporaries as 'a bit of a dandy.'"

The baron also was known as the Fourth Duke of Northumberland, lord of Prudhoe Castle near the Scottish border.

Baron Prudhoe is buried in Westminster Abbey, a mighty trek from Alaska's coastal plain, yet one John Franklin made more than 175 years ago.

Michael Carey is the former editorial page editor of the Anchorage Daily News. He can be reached at m2ccary@alaska.net. If you want to know more about this phase of Sir John Franklin's career see his "Narrative of a Second Expedition to the Polar Sea" available in local libraries.

HB

355

ALASKA STATE LEGISLATURE

Representative Lisa Murkowski Chair
Representative Andrew Halcro Vice-Chair
Representative Pete Kott
Representative Kevin Meyer
Representative Norman Rokeberg
Representative Harry Crawford
Representative Joe Hayes



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HOUSE LABOR AND COMMERCE COMMITTEE

Sponsor Statement House Bill 355 Mobile Telecommunications Tax

In 2000, Congress passed the Mobile Telecommunications Sourcing Act (MTSA), which clarified how mobile telecommunication calls involving multiple jurisdictions should be assigned or "sourced" for tax purposes. Sourcing involves determining which jurisdiction will have the right to tax a telephone call that originates and terminates in different taxing jurisdictions. In the case of mobile telecommunications, the customer might live in one jurisdiction, have her bill sent to a second jurisdiction, make a call in a third jurisdiction, and complete the call in a fourth jurisdiction.

Without clear, national rules for determining what jurisdiction is permitted to tax the call, the possibility exists that the same call could be subject to taxation in multiple jurisdictions, or that a call might escape taxation all together. House Bill 355 conforms Alaska statutes to the federal mobile telecommunications sourcing act to allow for appropriate taxes and fees on wireless services.

States now have until August 1, 2002 to conform their laws applicable to the taxation of wireless telecommunications to the provisions in the federal law. States that fail to act by that time are preempted from imposing taxes on most calls made outside of the state where the customer's primary use occurs (so-called "roaming").

The MTSA does not impact the rate of taxes or fees that states and localities impose on wireless calls or the types of calls that are subject to such taxes. It only determines which jurisdiction has the authority to tax a wireless call. Each jurisdiction with legal taxing authority will continue to determine whether to tax such calls and at what rate.

House Bill 355 creates the concept that the customer has a "place of primary use," which is the jurisdiction with the right to tax wireless calls. For example, a resident of Anchorage that contracts for wireless telecommunications service for personal use would designate Anchorage as her place of primary use. If that person traveled to Seattle and placed a call from Seattle to Olympia during the trip, the state of Alaska and the city of Anchorage would have the authority to tax that call even though it did not originate in Alaska.

House Bill 355 prevents multiple taxation, achieves administrative simplicity and cost savings in the billing process, and avoids expensive audit litigation exposure when multiple states claim jurisdiction to tax the same call.

A M E N D M E N T

OFFERED IN THE HOUSE

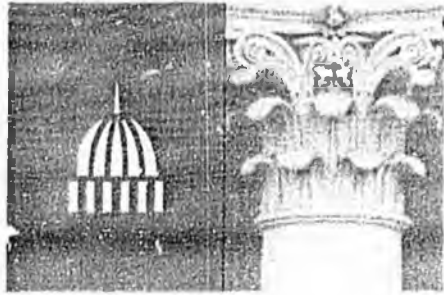
BY REPRESENTATIVE MURKOWSKI

TO: CSHB 355(), Draft Version "F"

1 Page 3, following line 12:

2 Insert a new subsection to read:

3 "(d) For purposes of this section, if a customer does not have a street address,
4 the home service provider may accept from the customer as the customer's place of
5 primary use an address that is not a street address if the address gives effect to the
6 intent of 4 U.S.C. 116 - 126 (Mobile Telecommunications Sourcing Act)."



National Conference of State Legislatures

LEGISBRIEF

BRIEFING PAPERS ON THE IMPORTANT ISSUES OF THE DAY

MARCH 2002

VOL. 10, No. 14

State Conformity to the Mobile Telecommunications Sourcing Act

By *Graham Williams*

Under existing rules, it is difficult to determine which state has the authority to tax cell phone calls.

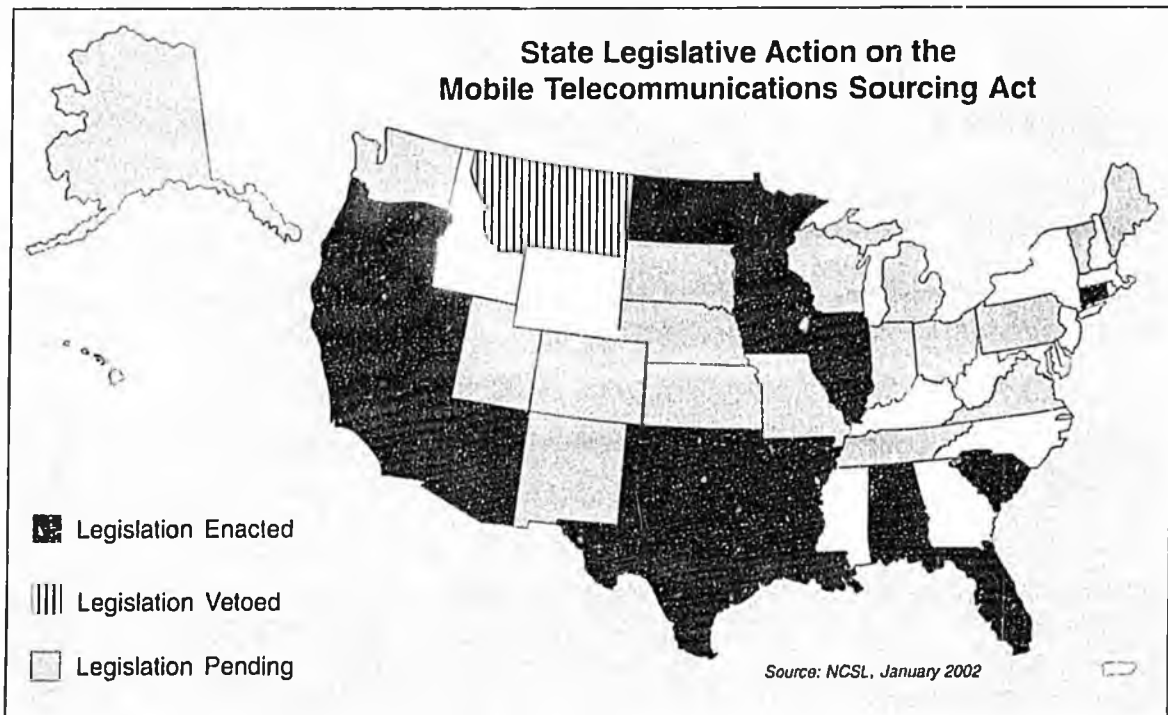
The changing nature of telecommunications is forcing policymakers at all levels to re-evaluate their tax codes. A perfect example of this new pressure is the rapid growth of wireless communication. As state telecommunications policy developed, it was relatively easy to determine which jurisdiction had the right to tax a particular call.

A cell phone customer from New York, however, can now call a friend in California while on a business trip to Florida. Under existing rules, it is difficult to determine which state has the authority to tax such a call. In some cases, more than one jurisdiction has claimed a tax on the same call, while other calls escape taxation altogether.

Congress passed the Mobile Telecommunications Sourcing Act in 2000.

Federal Action

To find a solution and avoid federal preemption, state and local groups joined the wireless industry to develop a compromise that would create a uniform rule for sourcing (matching the tax on a transaction with a jurisdiction), while maintaining revenue neutrality for the states. Congress passed the Mobile Telecommunications Sourcing Act (MTSA) in 2000, which was modeled on



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that compromise. Most state laws on sourcing telecommunication taxes have been based on the 1989 Supreme Court case *Goldberg vs. Sweet*, which required a jurisdiction to have two out of three of the origination, termination and service addresses of a call to assert its tax. The act taxes wireless calls at the "place of primary use." This is identified by the consumer and can be either a residential or business address, wherever the phone is used most often.

Under such a system, the call made by the New York resident to a friend in California while visiting Florida would be subject only to the applicable tax at the place of primary use, presumably in New York. States applying the federal law will forgo revenue from taxes on calls made within their state by visitors, but will gain authority to tax calls made by residents while out-of-state, otherwise known as "roaming." All states will lose the ability to tax calls made within the state by nonresidents after Aug. 1, 2002. States that fail to conform to the federal act by Aug. 1 will not be able to make up for this lost revenue by taxing residents who make calls in other states until they conform with the federal sourcing requirements.

✓ **Requirements for State Conformity.** States can incorporate the necessary language and definitions by referring to the federal act (4 USC 116-126) or by making statutory amendments to incorporate the law's provisions. Either way, states must do three things to comply with the federal law:

1. States must include the "place of primary use" definition and source calls to the customer's home or office address.
2. States need to match the primary use jurisdiction to the proper tax. Under the MTSA, states can develop a database using geo-codes to pinpoint the jurisdiction and the applicable tax. The industry would use the state-provided information and be held harmless for errors. Another option would allow the industry to be held harmless for errors if using "due diligence" in applying proper tax rates based on the zip+4 of the address.
3. States must incorporate the act's bundling provisions. These allow providers to bundle taxable and non-taxable services on the bill without separately stating those charges. Providers can collect the money on the taxable charges, as long as the companies demonstrate through their books and records that the other items were exempt.

✓ **State Action**

To avoid federal preemption, states must act before Aug. 1, 2002. In 2001, 16 states enacted legislation to conform with the federal act, including Alabama, Arizona, Arkansas, California, Connecticut, Florida, Illinois, Iowa, Louisiana, Minnesota, Nevada, North Dakota, Oklahoma, Oregon, South Carolina and Texas. Nineteen additional states had introduced conforming legislation as of Feb. 5, 2002.

Contacts for More Information

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The act taxes wireless calls at the "place of primary use."

States must do three things to comply with the federal law.

To avoid federal preemption, states must act before Aug. 1, 2002.

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: CSHB355(CRA)
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
 Title Mobile Telecommunications Tax BRU Revenue Operations
 Component Tax Division
 Sponsor House Labor & Commerce
 Requester House Labor & Commerce Component No. 2476

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)

See page 2.

Prepared by: Chuck Harlamert, Revenue Audit Supervisor
 Division Tax Division
 Approved by: Larry Persily, Deputy Commissioner
 Agency Department of Revenue

Phone 465-4773
 Date/Time 3/14/02 7:13 PM
 Date 3/14/2002

FISCAL NOTE

**STATE OF ALASKA
2002 LEGISLATIVE SESSION**

BILL NO. CSHB355(CRA)

ANALYSIS CONTINUATION

The federal Mobile Telecommunications Sourcing Act (P.L. 106-252) preempts existing state and local law by specifying the source of mobile telecommunications services for purposes of state and local sales, excise or other transaction taxes.

Under the act, mobile telecommunications services are sourced to a customer's place of primary use. State and local revenues are expected to be unchanged when states adopt legislation conforming to the federal act.

CSHB355(CRA) brings Alaska law governing municipal taxation into conformity with the Mobile Telecommunications Sourcing Act. In addition to the sourcing provisions of the federal act, this legislation also provides for procedures and remedies for correcting errors in the assignment of place of primary use.

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

MEMORANDUM

February 26, 2002

SUBJECT: Taxation of Mobile Telecommunications Services
(HB 355 (Work Order No. 22-LS1208\C))

TO: Representative Lisa Murkowski
Attn: Amy Erickson

FROM: Kathryn L. Kurtz 
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. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

Section 1. Describes the purpose of the act as implementing the federal Mobile Telecommunications Sourcing Act, 4 U.S.C. 116 - 126 (P.L. 106-252).

Section 2. Adds new statutory sections added by section 5 of the bill to the list of limitations on the powers of home rule municipalities.

Section 3. Clarifies that the new statutory sections added by section 5 of the bill limit the power of a municipality to levy and collect sales taxes.

Section 4. Removes the language added in section 3 according to the terms of the contingent repeal in section 6, if a court enters a judgment that substantially limits or impairs the effect of the federal Mobile Telecommunications Sourcing Act, 4 U.S.C. 116 - 126.

Section 5. Adds a new article relating to the taxation of mobile telecommunications services, based on the federal Mobile Telecommunications Sourcing Act, 4 U.S.C. 116 - 126.

Sec. 29.45.750 creates a presumption that all mobile communications services are provided by the company ("home service provider") that bills for them; and provides that only the municipality (or municipalities, in the case of a city within a borough) where the customer lives or has their principal place of business may tax those services.

Sec. 29.45.755 anticipates construction of a statewide database by a "designated database provider," an entity representing all municipalities in the state, assigning each street address in the state to a municipality. It requires the designated database provider to provide notice of the availability of the data base. It provides that a municipality must "hold harmless" a home service provider that, because of an error in the database, fails to collect taxes due to the municipality.

Under Sec. 29.45.760, if no statewide database is provided, a municipality must "hold harmless" a home service provider that fails to collect taxes due to the municipality as a result of assigning a street address to the wrong municipality, if the home service provider used an enhanced zip code to assign the address to a municipality. Where an enhanced zip code overlaps more than one taxing jurisdiction of the same level, the home service provider may designate one jurisdiction as the taxing jurisdiction for that enhanced zip code. Creates a rebuttable presumption that a home service provider has exercised due diligence if it expends reasonable resources, maintains reasonable internal controls, and uses all reasonably obtainable usable data in developing a database of addresses and corresponding taxing jurisdictions.

Under Sec. 29.45.765, if a municipality determines that an address does not meet the definition of place of primary use, with the consent of all affected taxing jurisdictions and after giving the customer notice and an opportunity to be heard, the municipality may notify the home service provider to change the place of primary use. If a municipality finds that an assignment of an address to a taxing jurisdiction is incorrect, it may notify the home service provider to change the taxing jurisdiction after obtaining the consent of all affected taxing jurisdictions and giving the home service provider the opportunity to demonstrate that the assignment is correct.

Sec. 29.45.770 gives the home service provider the responsibility for determining a customer's primary place of use. Permits the home service provider to rely on the address provided by the customer. Prohibits a municipality from holding a home service provider liable for additional taxes based on a different determination of the place of primary use for taxes that are customarily passed on to the customer as a separate itemized charge. Permits the home service provider to use the address used by the provider for tax purposes under a contract in effect on August, 2002 for the remaining term of that contract for determining to which municipality to remit taxes.

Sec. 29.45.775. States that the bill does not affect any existing law permitting municipalities to collect taxes from customers who do not provide their place of primary use. Permits municipalities to tax otherwise nontaxable mobile telecommunications services if they are aggregated with taxable charges by a home service provider, unless the home service provider can distinguish the nontaxable charges. Prohibits a customer from relying on the nontaxability of charges for mobile telecommunications unless the customer's home service provider states the charges separately from taxable charges or provides verifiable data from its books identifying the nontaxable charges.

Representative Lisa Murkowski
February 26, 2002
Page 3

Sec. 29.45.780. Provides a process for customers to correct errors by the service provider relating to taxes on mobile telecommunications services on the customer's bill. Requires the customer to notify the home service provider of the problem in writing. Gives the home service provider 60 days to review its records, and either correct the error or provide a written explanation. Specifies that these procedures are the "first course of remedy" available to the customer.

Sec. 29.45.790. Defines terms.

Section 6. Repeals AS 29.45.750 - 29.45.790, the new sections added by the bill, if a court enters a judgment that substantially limits or impairs the effect of the federal Mobile Telecommunications Sourcing Act.

Section 7. Provides that the bill only applies to customer bills issued on or after August 1, 2002.

Section 8. Provides that the provisions of the act are not severable, so that if any provision of the act is invalidated, the whole act is invalidated.

Section 9. Makes section 4 of the bill, restoring AS 29.45.650(a) to the way it reads now, effective only if a court enters a judgment that substantially limits or impairs the effect of the federal Mobile Telecommunications Sourcing Act.

Section 10. Provides an effective date of July 1, 2002 for all but sections 4 and 5 of the bill.

Section 11. Provides that sections 4 and 6 of the bill, if they take effect, take effect on the day after the last day a judgment substantially limiting or impairing the federal Mobile Telecommunications Sourcing Act could have been appealed.

KLK:med
02-212.med

ALASKA STATE LEGISLATURE

Representative Lisa Murkowski Chair
Representative Andrew Halero Vice-Chair
Representative Pete Kott
Representative Kevin Meyer
Representative Norman Rokeberg
Representative Harry Crawford
Representative Joe Hayes




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HOUSE LABOR AND COMMERCE COMMITTEE

Memorandum

Date: February 13, 2002

To: Representative Kevin Meyer
Representative Carl Morgan
C&RA Co-Chairs

From: Representative Lisa Murkowski 

Subject: Hearing Request

In 2000, Congress passed the Mobile Telecommunications Sourcing Act (MTSA), which clarified how mobile telecommunication calls involving multiple jurisdictions should be assigned or "sourced" for tax purposes. Sourcing involves determining which jurisdiction will have the right to tax a telephone call that originates and terminates in different taxing jurisdictions. House Bill 355 conforms Alaska statutes to the federal mobile telecommunications sourcing act to allow for appropriate taxes and fees on wireless services.

Attached you will find a copy of House Bill 355, sponsor statement, and forthcoming sectional analysis. Please schedule House Bill 355 when your committee schedule allows. We will require off-net teleconferencing, the names of which I will make available to you shortly. Thank you for your accommodation.

22-LS1208\F
Kurtz
3/6/02

CS FOR HOUSE BILL NO. 355()
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SECOND LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): HOUSE LABOR AND COMMERCE COMMITTEE BY REQUEST

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the taxation of mobile telecommunications services by**
2 **municipalities; and providing for an effective date."**

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

4 *** Section 1.** The uncodified law of the State of Alaska is amended by adding a new section
5 to read:

6 **PURPOSE; FINDINGS; INTENT.** The United States Congress has enacted the
7 Mobile Telecommunications Sourcing Act, 4 U.S.C. 116 - 126 (P.L. 106-252), for the
8 purpose of establishing uniform nationwide sourcing rules for state and local taxation of
9 mobile telecommunications services. The legislature of the State of Alaska desires to adopt
10 implementing legislation governing taxation in the state. The legislature recognizes that the
11 federal act is intended to provide a clarification of sourcing rules that is revenue-neutral
12 among the states. A construction of this Act should reflect the legislature's intention to give
13 effect to the federal act.

14 *** Sec. 2.** AS 29.10.200 is amended by adding a new paragraph to read:

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(62) AS 29.45.750 (taxation of mobile telecommunications).

* Sec. 3. AS 29.45.650(a) is amended to read:

(a) Except as provided in AS 04.21.010(c), AS 29.45.750, and in (f) and (h) of this section, a borough may levy and collect a sales tax on sales, rents, and on services provided in the borough. The sales tax may apply to any or all of these sources. Exemptions may be granted by ordinance.

* Sec. 4. AS 29.45.650(a) is amended to read:

(a) Except as provided in AS 04.21.010(c) [, AS 29.45.750,] and in (f) and (h) of this section, a borough may levy and collect a sales tax on sales, rents, and on services provided in the borough. The sales tax may apply to any or all of these sources. Exemptions may be granted by ordinance.

* Sec. 5. AS 29.45 is amended by adding a new section to read:

Article 5A. Mobile Telecommunications Sourcing Act.

Sec. 29.45.750. Mobile Telecommunications Sourcing Act. (a) The provisions of 4 U.S.C. 116 - 126 (Mobile Telecommunications Sourcing Act) are incorporated in this chapter by reference and have effect as though fully set out in this chapter.

(b) A municipality that levies and collects a sales tax on mobile telecommunications services shall do so in accordance with the provisions of 4 U.S.C. 116 - 126 (Mobile Telecommunications Sourcing Act).

(c) The procedures and remedies for correcting a tax, charge, fee, or assignment of place of primary use or taxing jurisdiction are as follows:

(1) if a customer believes that an amount of tax, charge, or fee or an assignment of place of primary use or taxing jurisdiction included on a billing is erroneous, the customer shall notify the home service provider; the customer shall notify the home service provider of the street address for the customer's place of primary use, the account name and number for which the customer seeks a correction, a description of the error asserted by the customer, and any other information that the home service provider reasonably requires to process the request;

(2) within 60 days after receiving a notice under this section, the home service provider shall review the records and the electronic database or enhanced zip

1 code used according to 4 U.S.C. 116 - 126 to determine the customer's taxing
2 jurisdiction; if this review shows that the amount of tax, charge, or fee or assignment
3 of place of primary use or taxing jurisdiction is in error, the home service provider
4 shall correct the error and refund or credit the amount of tax, charge, or fee
5 erroneously collected from the customer for a period of up to two years; if this review
6 shows that the amount of tax, charge, or fee or assignment of place of primary use or
7 taxing jurisdiction is correct, the home service provider shall provide a written
8 explanation to the customer;

9 (3) the procedures in this subsection are the first course of remedy
10 available to a customer seeking correction of assignment of place of primary use or
11 taxing jurisdiction or a refund of or other compensation for taxes, charges, and fees
12 erroneously collected by the home service provider.

13 * Sec. 6. AS 29.10.200(62) and AS 29.45.750 are repealed.

14 * Sec. 7. The uncodified law of the State of Alaska is amended by adding a new section to
15 read:

16 APPLICABILITY. This Act applies to charges on customer bills issued on or after
17 August 1, 2002.

18 * Sec. 8. The uncodified law of the State of Alaska is amended by adding a new section to
19 read:

20 PROVISIONS NOT SEVERABLE. Notwithstanding AS 01.10.030, the provisions of
21 this Act are not severable.

22 * Sec. 9. The uncodified law of the State of Alaska is amended by adding a new section to
23 read:

24 CONTINGENT EFFECT. Sections 4 and 6 of this Act take effect only if a court of
25 competent jurisdiction whose decisions are binding in this state enters a final judgment on the
26 merits that is based on federal law, is no longer subject to appeal or petition for certiorari, and
27 substantially limits or impairs the essential elements of 4 U.S.C. 116 - 126.

28 * Sec. 10. Except as provided in sec. 11 of this Act, this Act takes effect August 1, 2002.

29 * Sec. 11. If secs. 4 and 6 of this Act take effect, they take effect on the day after the last
30 day on which the judgment described in sec. 9 of this Act could have been appealed.

HB

358

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: No. 1
 Bill Version: HB358
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: _____
 Title Exemption From Proper Tax: Timber BRU _____
 Component _____
 Sponsor Rep. Chenault _____
 Requester _____ 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						
-----------------------------	--	--	--	--	--	--

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--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: Bill Lawrence Committee Aide Phone 465-3882
 Division HCRA Date/Time 2/14/02 4:41 PM
 Approved by: Representative Morgan, Co-chair Date 2/14/2002
 Agency HCRA

STATE OF ALASKA

REPRESENTATIVE
MIKE CHENAULT

Official Business

Interim:
145 Main St. Loop, Second Floor
Kenai, Alaska 99611
(907) 283-7223
Fax: (907) 283-3075

Session:
Capitol Building, Room 432
Juneau, Alaska 99801-1182
(907) 465-3779
Toll Free: (800) 469-3779
Fax: (907) 465-2833

HOUSE OF REPRESENTATIVES

MEMORANDUM

To: Representative Carl Morgan, Co-Chair
Representative Kevin Meyer, Co-Chair
Community & Regional Affairs

From: Representative Mike Chenault 

Date: February 6, 2002

Subject: Request for hearing HB 358

I respectfully request a hearing for HB 358 – “An Act relating to an optional exemption from municipal property taxes for certain land from which timber is harvested and for certain improvements used in or necessary to the harvest of timber,” in the House Community & Regional Affairs Committee at your earliest convenience.

Please contact Leona Oberts at #2811 if you have any questions.

STATE OF ALASKA

**REPRESENTATIVE
MIKE CHENAULT**

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HOUSE OF REPRESENTATIVES

SPONSOR STATEMENT House Bill No. 358 EXEMPTION FROM PROPERTY TAX: TIMBER

HB358 - "An Act relating to an optional exemption from municipal property taxes for certain land from which timber is harvested and for certain improvements used in or necessary to the harvest of timber."

The Kenai Peninsula Borough contains about 1.1 million acres of land consisting of trees that are dying due to infestation by the Spruce Bark Beetle. These areas have been identified as a high fire threat, with limited access for firefighting resources and inadequate emergency evacuation sites.

Harvesting the infested timber is one of the best devices for managing this threat. To encourage continued and expanded operations of harvesting timber resources, HB358 allows the Kenai Peninsula Borough to offer land owners a tax exemption.

THE
FOLLOWING
DOCUMENT(S)
ARE
POOR
ORIGINAL
COPIES

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF FORESTRY

TONY KNOWLES, GOVERNOR

Kenai-Kodiak Area Office
42499 Sterling Highway
Soldotna, AK 99669
Phone: (907) 262-4124
FAX: (907) 260-4263

February 8, 2002

Representative Mike Chenault
State Capitol, Room 432
Juneau, AK 99801-1182

RE: State Timber Sales on the Kenai Peninsula

Dear Representative Chenault:

We received a request from your office for an update on our recent timber sale offering on the Kenai Peninsula. The Division of Forestry offered four spruce beetle-killed salvage sales on January 7, 2002. The offering was by sealed bid. Two of the sales were in the Clam Gulch area, one near Anchor Point, and one near Moose Pass. Two of the sales received bids at the bid opening and were awarded. The same purchaser submitted the two bids and they were the only bids received. They purchased one of the sales near Clam Gulch and the sale near Anchor Point. The other two sales were then posted as available over the counter. Since January 7th, we have received a bid for the sale near Moose Pass. The other sale has not as yet received a bid, but we have had some discussions with potential interested parties and expect a bid sometime next week. Below is a quick summary on the sales.

Sale Name	Volume	General Location	Advertised Price	Bid Price
Trail	132 MBF	Clam Gulch	\$5/MBF	\$7.87/MBF
Cottonfield	250 MBF	Anchor Point	\$13/MBF	\$22.30/MBF
Fowson	385 MBF	Moose Pass	\$5/MBF	\$5/MBF
Small Lake I	1,020 MBF	Clam Gulch	\$5/MBF	No bids yet

Timber markets worldwide have declined substantially over the last several of years. The resultant impact on the Kenai Peninsula and particularly on our State timber sales is a substantial reduction in stumpage value. On some of our previous sales sold just a few years ago, we were able to have the purchaser complete reforestation, including the purchasing and planting of trees on the sale areas following their harvest operations. Due to the decline in the timber markets, the value of the salvaged trees do not offset the reforestation costs, therefore, the State is now assuming the reforestation responsibility. The State is committed to reforesting these beetle-killed stands to ensure continuation of the sustainability of the State forests. We will be reforesting the above sales through a combination of natural regeneration, where a live seed source is present and has survived the infestation, and planting using funds appropriated by the legislature in the past.

Reforestation of the State's beetle-killed stands is primary goal. We are committed to reforesting all our harvest areas with native tree species grown from local seed sources. Our goal is to use natural reforestation and planting to accelerate re-growth of mixed forests on State lands. Funding to assist with reforestation has been limited.

With the change in timber markets and the movement of the spruce beetle from the more remote areas of the peninsula into our communities and along the road system, we are redirecting our focus to State lands located in the urban-interface. Removal of the beetle-killed trees will assist in reducing fuel loading and the potential for large, difficult to control wildfires.

In 1997, the legislature provide a capital project appropriation to fund the sale and administration of four large salvage sales on the Kenai. The sales were originally designed to feed timber into the chip market, which was active at the time of passage of the legislation. However, due to the economic changes mentioned above, it is no longer feasible to proceed with the original intent language without a major increase in funding for reforestation. We are requesting a revision in the intent language so that the balance

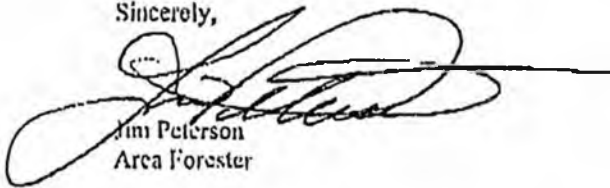
Develop, Conserve, and Enhance Natural Resources for Present and Future Alaskans

in this appropriation can be used to prepare, administer, and reforest smaller sales located in the higher hazard areas near residential development and communities. The remaining funds in the appropriation total approximately \$310,000 and would go a long ways towards defraying reforestation costs, assist with road maintenance, and provide funding for preparation and administration of these smaller salvage sales. If you have any questions regarding the technical aspects of this reappropriation, please contact Nico Bus at 465-2406. We would like to solicit your support on this proposed reappropriation.

We are committed to doing our part to reduce the fire hazards near Kenai Peninsula communities and to offer salvage timber sales where the wood fiber can be utilized. We recognize the significant benefits that these actions can have on our quality of life on the Kenai.

If we can provide further assistance or if you have any additional questions, feel free to contact us.

Sincerely,



Jim Peterson
Area Forester

Cc: Jeff Jahnke, State Forester
Roy Josephson, Acting Regional Forester
Nico Bus, DNR, Support Services

Introduced by:
Date:
Hearing:
Action:
Vote:

**KENAI PENINSULA BOROUGH
RESOLUTION _____**

A RESOLUTION SUPPORTING PROPOSED LEGISLATION GRANTING MUNICIPALITIES THE POWER TO EXEMPT CERTAIN PROPERTY FROM TAXATION.

WHEREAS, timber resources on much of the real property in the borough have been infested by insects that are killing trees and creating a serious risk of fire to both the land with infested timber resources and adjoining land; and

WHEREAS, at the rate the infestations are spreading all the timber in the borough will be infested in a few years; and

WHEREAS, it is in the best interest of the borough to encourage continued and expanded operations of harvesting timber resources, including the construction of roads and clearing land, to reduce the risk of fire, aid in the ability to respond and fight any fires, reduce the spread of the infestation and mitigate any losses resulting from the infestation or any future fire; and

WHEREAS, the borough has considered imposing taxes or increasing taxes upon real property and improvements constructed thereon as a result of the owner filing a detailed plan of operation (DPO) or otherwise commencing operations to harvest timber resources.

WHEREAS, owners of property with timber resources may decline to develop (log) property if, as a result thereof, the borough imposes taxes not previously assessed against such property;

WHEREAS, the borough should have the power / option to exempt land with timber from taxes or from an increase in taxes that directly arise from operations harvesting timber resources in order to encourage landowners to harvest timber which is now infested or at risk of infestation and such harvesting operations are in the best interests of all the borough; and

WHEREAS, owners of property with timber resources have asked the borough to adopt a resolution supporting the following proposed legislation:

A BILL FOR AN ACT ENTITLED

“An act granting municipalities the power to exempt certain property from taxation and providing for an effective date”

BE IT ENACTED BY THE STATE OF ALASKA:

Section 1. AS 29.45.050 is amended by adding a new subsection to read:

(q) A municipality may by ordinance exempt or partially exempt real property from taxation arising from commencing or conducting operations to harvest timber resources on real property if that real property has timber resources that are either infested by insects or at risk of infestation by insects because of an existing infestation in the region. A municipality may by ordinance exempt or partially exempt from taxation any increase in assessed value of property subject to taxation to the extent any increase in assessed value arises from a timber resources harvesting operation. A municipality may by ordinance exempt or partially exempt from taxation any improvements constructed on real property with timber resources if the construction of the improvements are directly attributable to harvesting those timber resources or the construction and maintenance of the improvements are integrally related to the timber harvesting operation.

Section 2. This act takes effect immediately under AS 01.10.070.

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

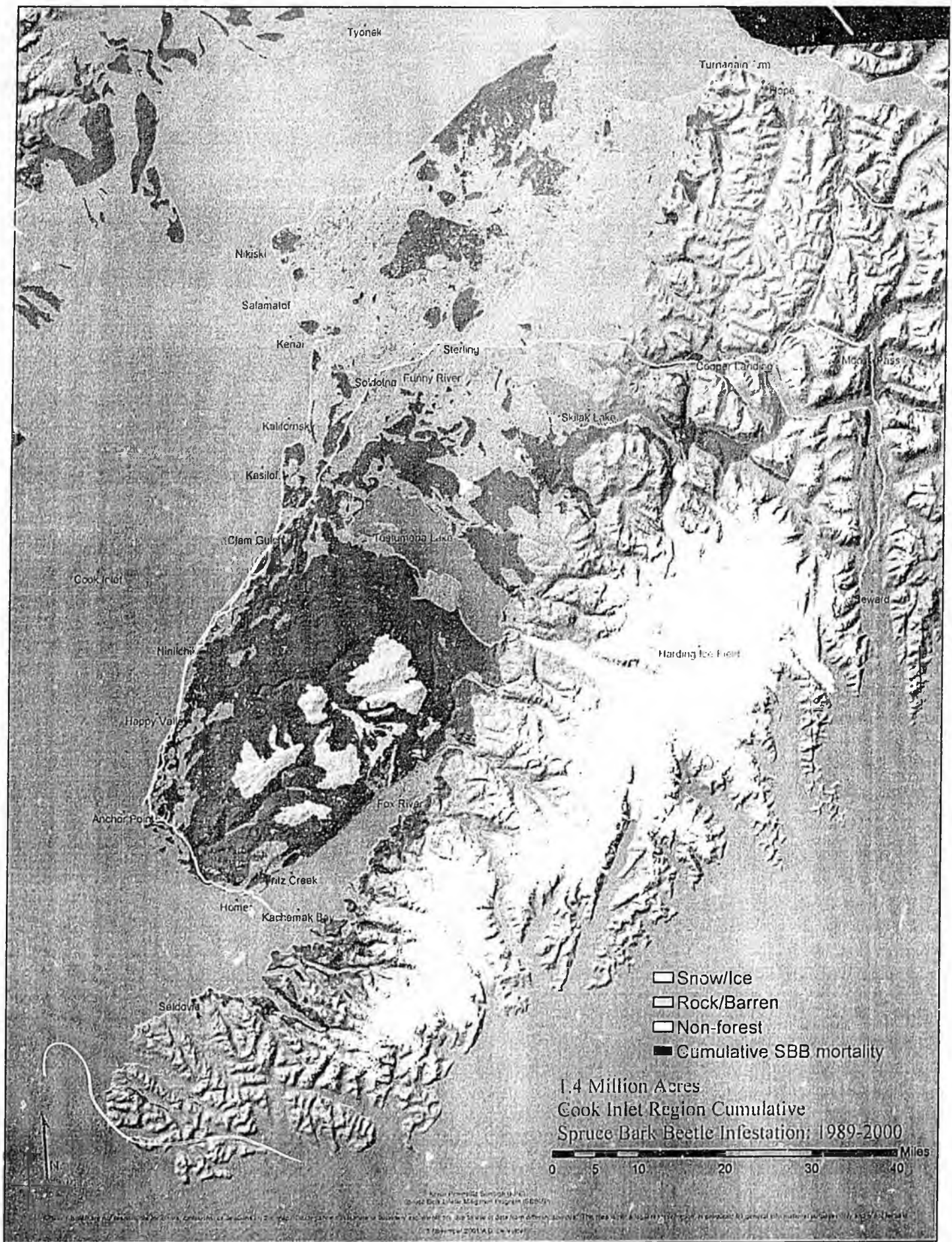
That the Assembly of the Kenai Peninsula Borough hereby endorses and supports the above referenced proposed legislation.

PASSED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS _____ DAY OF _____, 2001.

Timothy Navarre, Assembly President

ATTEST:

Linda S. Murphy, Borough Clerk



CHUKCHI SEA BEAUFORT SEA



Legend

• Cities and Towns

Population Density,
persons per square mile

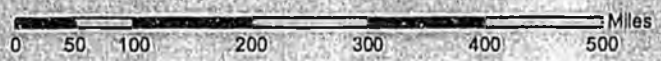
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- 57 - 58
- 59 - 60
- 61 - 62
- 63 - 64
- 65 - 66

■ Cumulative Infestation

BERING SEA

GULF OF ALASKA

**1989-2000 3.1 MILLION ACRES
CUMULATIVE SPRUCE BARK BEETLE INFESTATION**



Kennai Peninsula Borough (KPB)
Spruce Bark Beetle Infestation Program (SBBIP)

KPB or SBBIP are not responsible for errors, omissions, or delays on this map. Discrepancies in feature or boundary placements are due to use of data from different sources. This map is not a legal representation, is provided for general informational purposes only and is not for sale.
3 December 2001 A.D. De Volder

Recommended Resource Utilization for Implementing Task Force's Recommendations. The Task Force reached consensus on the most economical manner to achieve several of the preceding recommendations via several early actions that extend the State's employment season of the Fire Management Officer to 12 months; the Training and Prevention Positions to ten months; the two Instructor/Technician positions to 6 months; and the Warehouse position to 8 months at a cost of \$65,000 enabling completing of the following recommendations:

- Develop evacuation routes and sites of refuge.
- Urban Interface fire hazard assessment.
- Support the Spruce Bark Beetle Coordinator.
- Provide year round public education resources.
- "Longer Term Technical Assistance" including presenting defensible space workshops and fuel reduction interventions.
- Support risk mitigation efforts; and
- Provide technical assistance and training to local fire service.

In addition the Task Force recommends adding a Fire Risk Management/Fire Behavior Position to support all other aspects of the Task Force recommendations and to take the lead on the Fuel Modeling and Fuel Map projects. Projected cost of \$90,000.

Science & Research

Understanding and maintaining healthy ecosystems is important. Management and rehabilitation of impacted forests must be based on the best available science. While a large amount of information on the effects of spruce bark beetle epidemics and associated management options currently exists, there are both short and long-term needs for

additional research. The Task Force reached consensus that increased emphasis be placed on adequately funding research programs that will investigate disturbance regimes and their effect on ecosystem health. Specific areas of emphasis should include the effects of spruce bark beetle outbreaks and management activities on:

- Hydrology
- Fish and wildlife populations and habitat
- Fuel conditions
- Regeneration, with and without management activities such as logging and prescribed fire

In addition, it is important to continue vegetation mapping efforts and research on silviculture and vegetation management prescriptions.

Support for USFS/Pacific Northwest (PNW) Station's Disturbance Initiative. The Task Force understands that, if funded, up to \$1 million per year for 5 years may be available for south-central Alaska through the Forest Service's PNW Station's "Improving Forest Health and Productivity by Managing Forest Fire, Insects and Diseases as Natural Ecosystem Disturbance Processes" Initiative. This Initiative would involve research and development of techniques for the management of hazard and risk to ecosystem health and would meet many of the above noted research needs. The Task Force urges Congress to appropriate the necessary funding for this initiative.

For additional information contact the Kenai Peninsula Borough at 907 262-4441 or check the Spruce Bark Beetle Home page at [tp://www.borough.kenai.ak.us/beetle.htm](http://www.borough.kenai.ak.us/beetle.htm)

Task Force Members

Mayor Mike Navarre, Chair, Local Government;

- ① Education - Mike Fastabend, Anchorage
- ② Environmental - Rick Smeriglio, Moose Pass
- ③ Fishing - Catherine Cassidy, Kasilof
- ④ Native Interests - Dean Kvasnikoff, Ninilchik
- ⑤ Private Land Owners - Ann Whitmore-Painter, Moose Pass
- ⑥ Public Safety - Robert Purcell, Homer
- ⑦ Recreation - Mike Huckababy, Soldotna
- ⑧ Rights-of-Way - George Bowen, Kenai
- ⑨ Timber - Terry Nininger, Homer
- ⑩ Tourism - Phil Morris, Homer

Advisory Panelists

- ① AK Dept. Fish and Game - Ellen Fritts, Juneau; (2) AK Dept. Natural Resources - Jeff Juhnke, Juneau; (3) AK Dept. Env. Cons. - Deric Marcovelle, Soldotna; (4) U.S. Forest Service - Paul Forward, Anchorage; (5) Bureau of Land Management - Mike Zaidlicz, Anchorage; and (6) U.S. Fish and Wildlife Service - Mark Chase, Soldotna.

Facilitator/Mediator: Gene Burden, Burden & Associates, Inc.

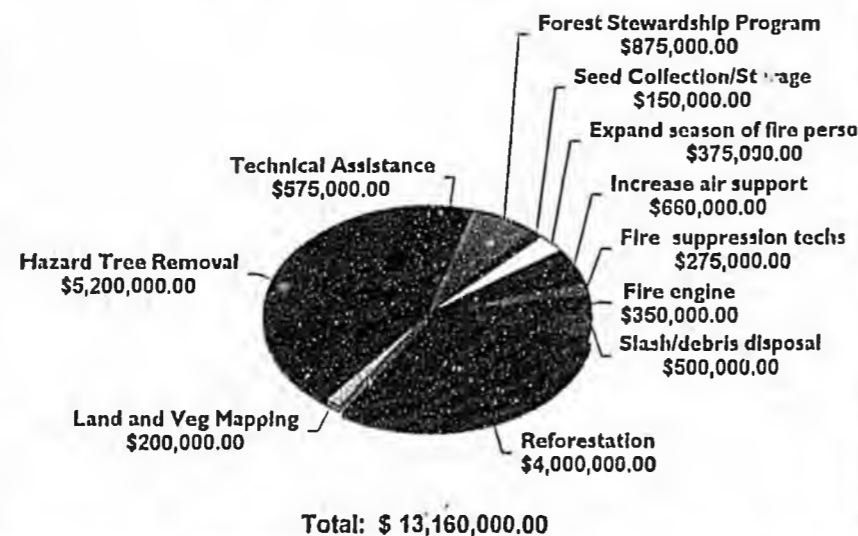
Short Term Action Recommendations

Projected Funding Requirements

Recommendation	Projected Costs
Urban Interface Fire Hazard Assessment	15,000
Public Education	40,000
Spruce Bark Coordinator	85,000
Homer East End Project	75,000
Spruce Seeds	25,000
Veg Mapping Phase 1	25,000
Trans Corridor Mapping	50,000
General Implementation of other early action recommendations	155,000
Total	\$470,000

Funding for Longer Term Action

Projected Five Year Requirements



Summary of Final Action Plan Recommendations

Introduction

The spread of the Spruce Bark Beetle in Alaska, and particularly the Kenai Peninsula, has continued over the last decade at a level unprecedented for current observers. The infestation is considered the largest in North America with estimates that the infestation has impacted over 2.3 million acres of Alaska spruce forests over the last 7 years.

Grant

Concerns regarding the infestation's impact to Alaska's forests, public safety, and the ecosystem prompted the Senate Appropriation Committee to direct the U.S. Forest Service to establish a multiparty task force to prepare an action plan to manage spruce beetle infestations in Alaska and rehabilitate the infested areas.

Task Force Formation

The Kenai Peninsula Borough (KPB) was designated as the lead agency in the Task Force effort with the Borough Mayor, Mike Navarre, designated as the Task Force Chair. The initial public meeting was held in Soldotna, Alaska on January 15, 1998 with public comment and exchange regarding the infestation, nominations for task force membership, and the approach for the Task Force.

Task Force and Public Meetings

The Task Force met on 10 occasions and conducted public meetings in Soldotna, Homer, and Moose Pass.

Area Impacted and Ownership

The Kenai Peninsula Borough encompasses 9.9 million acres of land with 22% (2.2 million acres) forested with about 1.1 million acres infested. Experts suggest that 6.6% contains commercial quality forest lands (650,000 acres) with over a third of these commercial forest areas in national parks, wilderness areas and wildlife refuges. The net availability for commercial harvest is estimated to be approximately 375,000 acres (3.8% of the total Borough land area).

Land on the Kenai Peninsula is owned by multiple entities as would be expected; however there are large portions owned by government and native interests; (i.e. State of Alaska 1.6 Million acres; Cook Inlet Region, Inc. 467,820 acres; Ninilchik Native Association 64,206 acres; Kenai Peninsula Borough 90,701 acres; Kenai National Wildlife Refuge 1,200,000; and Chugach National Forest 900,000.

Task Force Plan

The Task Force's recommendations represent consensus of each of the members. A summary by general category follows:

Fire Prevention & Public Safety

Emergency Notification and Evacuation. The Task Force supports providing safe evacuation routes and sites of human refuge. A prompt examination should be made to identify areas with insufficient evacuation routes. Necessary access for fire fighting resources as well as breaks in the continuity of fuel are required. In addition there is a need to identify sites of refuge in the event of an fire emergency and to assure emergency communications to residents takes advantage of modern technologies.

Identification of Evacuation Routes and Sites of Refuge and Establish a Budget for Work.

Responsibility: Alaska Department of Natural Resources Division of Forestry (ADNR/DOF), Kenai Peninsula Borough (KPB), local fire agencies. Target completion date is July 1, 1998 to be conducted using existing personnel.

Emergency Notification. Expand existing "Community Activation Net" (CAN) to include coverage for evacuation routes and sites of refuge. Essentially, the CAN system should be overlaid on the evacuation plan. Responsibility: Kenai Peninsula Borough.

Homer East End Road Pilot Project between Miles 8 and 20. The East End Road in Homer has been identified as a high fire threat urban interface area due to fire hazards, limited access, and potential for loss. The proposed initiative is intended to reduce the hazards and improve emergency ingress/egress in the area. State Improvements to East End Road presently scheduled for 2003 will include widening the road and clearing additional right of way. A determination should be made about the feasibility and funding needed to accelerate already planned right of way clearing in 1998; however the Task Force is not suggesting expenditure of requested funds on previously planned and budgeted activities. In addition, the Task Force does not suggest a wider right of way clearing than already planned. The necessary sites of refuge should be identified and necessary preparations of the sites completed. The pilot project should include testing the "CAN" communication system as well as provide information and assistance to private landowners that compliment the emergency preparedness effort.

■ **Responsibility:** ADNR/DOF, KPB, and Department of Transportation and Public Facilities.

■ **Funding Required:** \$75,000.00

Regulatory Impediments to Timely and/or Effective Response. An examination of existing Borough regulatory impediments to rapid response should be examined as well as standards imposed on new subdivision developments in fire risk areas.

Format of Spruce Beetle Task Force



Identify and streamline regulatory processes. The Borough is requested to examine current impediments to a rapid clearing of right of way in critical areas where emergency evacuation routes are being implemented as well as where actions are necessary to protect public health and safety.

Road Development in Subdivisions. There is a need to evaluate Borough road standards and identify fire threat as one of the considerations in establishing standards for new roads. The objective is to avoid creating transportation impediments (or traps) in emergency response and assure that the access standards as well as roadway standards do not add to the existing risks. National Fire Protection Association (NFPA) 299 or similar standards are suggested for guidance in application of new standards for new subdivision roads in identified high threat wildland urban interface areas.

Incident Command System (ICS) Team and Seasonal Fire Fighter Availability and Training. Establish a KPB Type III ICS Team using existing personnel and resources. This would be a rapid response ICS team of local resources that would respond to support local fire agencies when requested. Intent is for the Team to manage incidents that can be handled locally and/or until a Type II or Type I team arrives. Responsibility: KPB and local fire agencies.

Coordinate Availability of State Forestry Support to Coincide with Local Fire Season. Encourage state forestry to staff the KPB commensurate with the danger and with the local fire season. For example, there is presently an approximate 30-day lag between the start of the fire season on the lower Peninsula and arrival of adequate fire fighting personnel and equipment (such as helicopters and water buckets). Due to the

additional hazard associated with the spruce bark beetle infestation and the increase in population on the Kenai the State should increase the number of wildland firefighters assigned to the Kenai Peninsula during the fire season. Responsibility: ADNR/DOF.

Assistance Identifying Programs for Small Local Fire Agencies. State Division of Forestry should take the lead in identifying programs that are intended to assist local fire agencies that do not have sufficient fire fighting equipment and resources. Additional assistance requested in helping these local agencies qualify for the programs.

Fire Training. Currently there is a lack of access to wildland fire training for smaller communities' fire protection efforts. Wildland fire fighting training should be made available to local fire service jurisdictions and/or organizations. Responsibility: ADNR/DOF, USFS, BLM and Local Fire Agencies. Immediate Action: Develop a training plan identifying the number of individuals and their location as well as cost projection. Target for training plan completion: June 1, 1998. Responsibility: Kenai Peninsula Borough and Borough Fire Department.

Fire Equipment Caches and Supplies. Provide fire caches of loaned fire equipment to local fire districts. Fully utilize the State Forestry Fire Stores program to assist local jurisdictions with loaned caches of equipment. Assist local jurisdictions with the purchase of wildland fire protection equipment and supplies through state and federal contracts. Responsibility: ADNR/DOF.

Locate and distribute federal excess property to local fire districts. This will require an effort to locate suitable equipment throughout the country and may require making "spruce bark beetle fire risk mitigation" a high priority in the federal excess

property program. Coordination of property screening services and transportation of useful excess property to Alaska may be required. Responsibility: KPB, ADNR/DOF, and USFS.

Coordination of Hazard Tree Removal Around Public Facilities Including rights-of-way clearing. There is an immediate need to initiate a tree removal effort that will eliminate the current and projected hazards of dead or dying trees to existing public facilities such as schools, campgrounds, roads, and rights-of-way. The effort should include an educational component which 1) encourages the public and land owners to coordinate efforts to safely remove hazard trees near power lines to reduce the risk of electrocution, fire, and power interruption; and 2) educate landowners on the importance of cutting back hazard trees from near residences, public areas, and power lines.

Projected Costs and Timing: \$ 5.2 Million over 5 years. (Cost based on projected 6,000 acres of power line right a way plus 500 acres of hazard trees threatening existing public facilities.)

Use of Fire as a Management Tool. There should be a plan that identifies the opportunities to use prescribed fire, or wildfires which can be managed to meet fuel reduction and wildlife habitat objectives, which may potentially enhance various forest resources and remain acceptable to the public. Project components include:

- Identification of smoke management issues and applicable air quality standards.
- Designation of one ADNR/DOF Manager and one USDA FS Manager to obtain or enhance advanced prescribed burn qualifications.
- Develop burning prescriptions for selected blocks of land.

Working Group for Use of Fire as a Management Tool. The Chugach National Forest, Kenai National Wildlife Refuge, KPB, and the three state agencies (ADNR/DOF, Alaska Departments of Environmental Conservation (ADEC) and Fish and Game (ADFG)) collectively the "Alaska Resource Agencies" are encouraged to create an interagency prescribed fire working group to coordinate prescribed fire activities on the Kenai Peninsula including the following:

- a. Developing plans which identify areas where prescribed fire, or wild fire burning in prescription, could enhance various forest resources while remaining acceptable to the public;
- b. Improving prescribed burning qualifications for agency personnel;
- c. Planning for the availability of resources, including overhead, for prescribed fires;
- d. Identifying smoke management and air quality issues;
- e. Educating the public about the beneficial use of fire;

Continuity of Efforts

Spruce Bark Beetle Coordinator. There is a need to assure continuity of the response effort and coordination of the implementation of the Task Force recommendations. There is consensus that additional effort should be made to assist urban communities' related efforts (including volunteers, grants, and planning) for community and urban forest areas in view of the importance of urban trees to Alaskan communities. The Coordinator duties would include assisting communities in qualifying for grants such as the "Trees USA" program which requires a tree inventory, identification of a responsible person for the program, a long term plan for urban tree health, and an annual "Arbor Day Celebration." The projected annual costs for the added position is \$85,000.

Spruce Bark Beetle Coordinating Committee. The committee would be facilitated by the Spruce Bark Beetle Coordinator and would monitor the effectiveness the actions, oversee the implementation of the Task Force recommendations, and make recommendations to the KPB Mayor on funding and other issues. The committee would include the six resource agencies participating in the Task Force as well as other interested parties.

Public Assistance

State Stewardship Program. The Task Force recognizes the valuable contribution of the ADNR/DOF's Stewardship Program and agrees that there should be increased support for the program in Alaska with an objective of improving and expanding public access to reforestation advice and support. Recommendation is for one State position stationed in the Kenai Borough with funding support for planning and reforestation of private lands. The projected budget is suggested to be \$75,000 per year for personnel plus funds for silviculture treatment and increased cost-shared treatment of \$100,000 per year for a 5-year period with a reassessment before the end of this period.

Tree Removal Clearinghouse. Recommend that the Borough establish a clearinghouse where property owners can obtain a listing of individuals and companies who have indicated an interest in removing trees from similar sized land tracts. This activity is expected to be one of the services provided by the Borough's Spruce Bark Beetle coordinator.

Long Term Planning

Transportation Study. Project Objective: Provide a comprehensive landscape level transportation planning tool by consolidating information on the existing and projected transportation infrastructure into a GIS-based, Kenai Peninsula-wide mapping system. The information will be used to evaluate Task Force recommendations on access and transportation system development as they relate to fire threat,

public safety, emergency evacuation routes, timber harvest and other activities. In addition, the mapping will be used to evaluate the anticipated cumulative effects on fish, wildlife and other resources from road improvements, timber harvest related road construction and other transportation system developments that may occur in beetle-infested or at risk areas.

Major Project Actions:

A. To facilitate local fire planning for fire prevention, fire fighting actions and emergency evacuation efforts in response to the increased fire threat associated with spruce bark beetle infestations, major public and private landowners and managers will provide information on existing transportation systems: such as the Borough's logging road maps and the 911 emergency response maps and consolidate it into GIS map(s). Over time, both improved and unimproved easements will be identified.

B. Prevention measures or response actions in interface or other areas may require upgrading roads or construction of new roads for timber harvest or fuel reduction. The mapping will provide a basis for a landscape level evaluation of the direct and indirect, long-term and cumulative effects to fish and wildlife and other resources associated with task force recommendations that lead to road construction or improvement. Based on an analysis of fire hazards and risk and fish and wildlife and other concerns, the evaluation may result in recommendations on alternative access options and mitigation measures.

C. The mapping can be used to assist in determining the location of appropriate road corridors by avoiding or mitigating both short-term and long-term impacts to fish and wildlife and other resources.

Responsibility: The KPB will take the lead in coordinating and inputting data into its GIS system and then creating the map(s). This will be a collaborative effort including all major public and private landowners and managers affected by recommendations made by the spruce bark beetle task force.

Estimated Project Costs: Projects costs for the creation of the initial maps are nominal as most of the information is currently available and included in various GIS formats from the KPB, ADNR, U.S. Forest Service and U.S. Fish and Wildlife data bases. The Borough would be impacted with computer and personnel time. Additional work includes the ground-proofing of the mapped roads on Borough and private lands. This would be accomplished through a combination of GPS data gathering, field notes and orthographic photo interpretation. The map(s) would be continually updated, but will take about a year to complete the initial "ground proofing" and photo work at an estimated cost of \$50,000.

Land and Vegetation Cover Mapping for the Kenai Peninsula. The Task Force recommend making a \$25,000 contribution to Phase I of the Land and Vegetation Cover Mapping for the Kenai

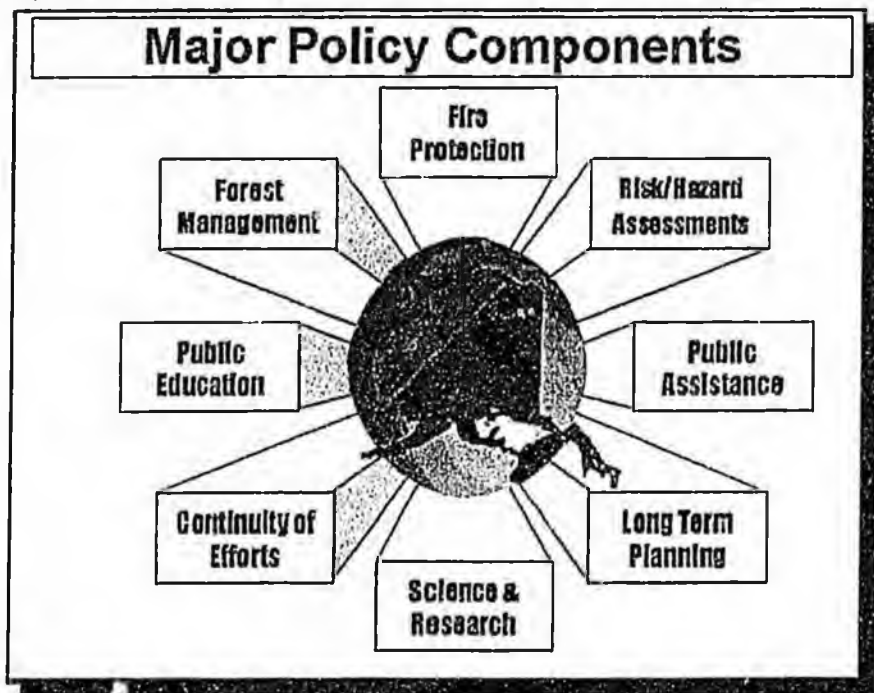
Peninsula, recognizing the existing funding commitment of \$65,000 already in place from other sources outside the Task Force for this phase of the project.

Additionally, the Task Force supports federal funding for Phase 2 of this project in order to support such activities as site specific fire risk assessment, tracking and predicting spruce bark beetle infestation, and detailed analysis of individual timber stands. Maps would be based on aerial photographic interpretation, or recently declassified military technology, and would cover selected portions of the Kenai Peninsula. Federal funding for Phase 2 is expected to not exceed \$200,000. The Task Force understands that the USDA Natural Resources Conservation Service (NRCS) is developing a vegetation map for their current soil inventory. Phase II efforts should be coordinated with the NRCS mapping.

Wildlife Maintenance. Maintaining wildlife is important to the economy and quality of life on the Kenai Peninsula. Research suggests that habitat changes related to the spruce bark beetle infestation tend to benefit some species and harm others. Some wildlife species are sensitive to human responses to the infestation. The Task Force agreed that the brown bear population in particular is sensitive to human activities and it is vulnerable due to its geographic isolation on the Kenai Peninsula. The health of the brown bear population was also considered a good indicator for the health of many other wildlife species due to both its habitat requirements and its sensitivity to human activities.

Objective. It is the intent of the Task Force to provide for human health and safety needs while maintaining wildlife habitat to the extent possible. Understanding and maintaining brown bear corridors and other significant units of bear habitat near human development are important elements of planning and implementing actions recommended by the Spruce Bark Beetle Task Force. Determining and recognizing public opinion is necessary during the process of finding an appropriate balance between wildlife conservation and development.

Action Recommended. The Task Force recommends that the state and federal governments collaborate to establish a Kenai Brown Bear Planning Team that will operate on a consensus basis. The team should be composed of the Alaska Resource Agencies and the Alaska Department of Transportation & Public Facilities and their federal counterparts. The team should also include representatives of key public interests including environmental, fishing, oil and gas, tourism, timber, property owners, and other private interests deemed appropriate. The Planning Team is to develop a brown bear conservation plan which can be utilized in planning for health and safety and other infestation related issues. No recommendation is made on funding.



f. Assisting in the implementation of prescribed fire projects; and

g. Identification of additional funding sources for these projects.

Use of Organized Emergency Fire fighting Crews for Fuel Reduction Projects. The Alaska Interagency Coordination Center (AICC) maintains a roster of emergency fire fighting crews from across the State including crews from the Kenai Peninsula and from small Native villages which have high unemployment rates. Many of the projects identified for implementation, including fuel reduction, fuel break construction and prescribed fire, are very labor intensive and require skills similar to those found in trained fire fighting crews. The crews identified by the AICC could be utilized on a rotating basis to work on projects on Borough, State, National Forest, and National Wildlife Refuge Lands. The use of the crews is expected to generate the following benefits:

- Availability of trained fire fighting resources for wildfire suppression on the Peninsula;
- Availability of resources for prescribed fire projects;
- Training for the crews;
- Economic stimulus to disadvantaged communities across the State; and
- Ready availability of crews who are organized and trained to implement many of the proposed projects.

Funding for the crews would be tied to individual projects. ADNR/DOF would take the lead on the coordination and use of the crews.

Fuel Modeling and Risk/Hazard/Behavior Assessment

Urban Interface Fire Hazard Assessment. Using the National Wildland Urban Interface Advisory Group methodology, identify, adopt and implement a wildland/urban interface fire hazard assessment to prioritize resources and efforts in high fire potential areas of the Kenai Peninsula. The work product could serve as a model for potential use in other areas of Alaska. The assessment is envisioned to include on-site surveys in the Borough's urban interface and high hazard area of fuels and fire behavior, physical characteristics, and potentials for ignition. Responsibility: ADNR/DOF in cooperation with local fire agencies. Recommend allocation of \$15,000 for the project.

Fuel Modeling and Risk/Hazard/Behavior Assessment - Fuel loading and the associated potential for fire in specific forested areas must be understood and considered in developing management practices related to forest health and practices. The Task Force recommends that two initiatives be completed as tools to Forest management with specific assistance envisioned for preparedness planning, and for prescribed burning to regenerate forests or to reduce fuel loading.

■ **Fuel Model Map.** Create a fuel model map for the Kenai Peninsula that will serve as the basis for developing a plan to identify areas where management practices can enhance forest resources including wildlife populations. The map should help predict fire behavior and is not the same as a vegetation map. Suggest designation of one DOF fire manager and one USDA FS Manager to lead the effort.

■ **Actions Prior to Fuel Load Reduction Efforts.** The Task Force recognizes that fuel load reduction and management practices (including prescribed burns) is a potential management tool. A Borough-wide Geographic Risk and Hazard Assessment is recommended. This project would complement management planning and identification of areas where wildland burning within prescription or prescribed fire (or alternative fire load reduction techniques) could enhance various forest resources. The hazard assessment would evaluate the fuel complex defined by type, moisture, arrangement, volume, etc. The risk assessment would determine the likelihood of fire ignition in examined areas. The behavior assessment would examine fire behavior under alternative weather scenarios as patterned on John See's 1990 Cooper Landing Spruce Bark Beetle Fire Behavior Analysis.

Support for Risk Mitigation Effort. Additional support is required for the state's Fire Risk Mitigation and Education Project. Funding is requested to extend the present two ADNR/DOF Training and Prevention positions to 10 months per year to enable training for volunteer fire departments and public to take place during winter months in advance of the fire season when people can attend.

Timber Management and Re-forestation

Reexamine Feasibility of an Instate Seedling Nursery. The issue of seedling availability is a concern to both large and small entities. The high demand customers such as CIRI and Circle DE experience logistical challenges during periods when hundreds of thousands of trees are being brought in for replanting. There is also considerable demand by small landowners that may not be currently met. A number of organizations have current interest in this subject including the Reforestation Council and potentially local native corporations. ADNR/DOF is requested to conduct a study to determine the merits and economic feasibility of establishing a seedling nursery in Alaska. The Task Force, in designating ADNR/DOF as lead agency for this effort, is not suggesting that the Nursery should be a state facility. The suggested funding for the effort is \$5,000.

Consideration of Fire Hazard Reduction and Public Safety in Timber Sales. Government and major land owners are encouraged to design and locate their timber sales in a manner that complements efforts to reduce fire and public safety

hazards and risk of ignition in the urban interface. The recommended policy is considered as complementary to fire hazard minimization with reductions in fuel loading and potential catastrophic fires. The potential for fire loss should be a high priority in existing and future sales programs.

Spruce Seeds. A genetically diverse source of spruce seeds for future regeneration of infested areas should be collected from different subpopulations of parent trees before they all die. ADNR/DOF should oversee a broad and systematic collection and proper storage of spruce tree seeds from infested and at risk areas on the Kenai Peninsula. **Immediate Action:** The Task Force recommends \$25,000 for collection to begin in September 1998. **Additional parameters recommended include:**

- Collect and store 500 pounds of seed as soon as possible beginning in the fall of 1998. Based on past experience it is understood that the collection effort will take between 3 and 7 years.
- Collect Borough wide utilizing cooperative agreements with all land holders where possible and encourage public assistance in collection of seeds.
- Periodically reassess the collection goal and process.
- Make seed available at whatever price necessary to recover cost.
- Projected cost is \$200 per pound for collection (\$100,000) and \$50,000 for storage freezer utilities.

Limited Examination of Forest Practice Act Regulations. Convene a technical group (subject matter experts including representatives of the Timber Industry and major land owners) to review 11 AAC 95.195 ("Clearing of Spruce Trees") and 11 AAC 95.370 ("Slash") for adequacy in preventing or controlling beetle infestation in Alaska and make specific recommendations to review the regulations or develop internal DNR staff guidance as needed.

Slash and Debris Disposal. The KPB, in cooperation with ADEC and private interests, should conduct an evaluation of the feasibility of acquiring and/or leasing large volume grinders and/or incinerators to be operated at KPB landfills and transfer sites to dispose of stumps or other debris from fuel reduction efforts in areas where burning is unsafe or must be limited. These facilities, if feasible, are expected to facilitate hazard mitigation efforts, protect air quality, and may have a secondary benefit of enhancing land development as well as extending the life of the landfills.

Fuel Breaks. All landowners (including government, trusts, large land owners, and other institutions) should be encouraged to break up the continuity of fuels and make an effort to connect natural fuel breaks in and around developed areas. All agencies should adopt this policy and encourage

landowners to implement this practice on private lands.

Landscaping. All landowners should consider fire resistant landscaping as a priority when making planting and regeneration decisions (including the selection of fire resistant landscape materials) around or near improvements including buildings, roads, and utilities.

Forest Practices Act Implementation. There is presently inadequate state funding to support the implementation of the Forest Practices Act regulations which negatively impacts efforts to manage the beetle infestation. The Task Force urges adequate funding to the Alaska Resource Agencies charged with implementing the Forest Practices Act and Regulations.

Native Species. If artificial revegetation is selected for landscape level treatment of beetle impacted areas, revegetation should be with native species. This includes planting spruce trees but does not preclude planting other native species.

Reforestation Incentives. Across the Kenai Peninsula the loss of the spruce trees to the spruce bark beetle epidemic has resulted in many tens of thousands of acres which are in need of reforestation. The parcels affected range in size from a few acres to thousands of acres. There are currently some 22,000 acres which have been harvested, but exempted from reforestation under the State Forest Practices Act. There is also concern about that timber sale revenues would be insufficient to pay for reforestation on state lands that need to be cleared of dead spruce to reduce fire danger. The need to reduce the risk of future wildfire and insect epidemics by planting with more fire resistant species and creating a forest mosaic is also an important consideration.

Recommendation: The need is recognized for forest stewardship across all ownerships and the potential interest in reforestation of lands where reforestation costs cannot be supported through the timber sale and harvest process and where substantial benefit is to be gained from accelerated reforestation. To encourage the reforestation on the Kenai Peninsula, the Task Force recommends the following:

1. Address the Areas Presently Exempted from Reforestation under the Alaska Forest Practices Act. Establish a fund in the amount of \$1,250,000 to be used for reforestation on those acres exempted from reforestation under the State Forest Practices Act and harvested before 1998. This fund would be administered by the KPFB.

2. Reforestation in the Urban Interface. Establish a fund in the amount of \$750,000 for reforestation on land in the urban interface that has been or will be cleared to reduce fuels. Emphasis for reforestation in the interface should be placed on fire resistant species such as birch, aspen and other native hardwoods, or a mixture of fire resistant

species and spruce. This fund would be administered by the KPFB.

3. Reforestation of State Timber Sales with Objective of Fuel Reduction within 5 Miles of Urban Interface. Establish a fund in the amount of \$1,000,000 to be used for reforestation on State timber sale lands where the objective is to reduce fire danger to human life and property. Consideration will be given to provide benefits to fish and wildlife, as advised by the ADFG. The need for fuel reduction will be based on fuel modeling and a fire hazard and risk analysis.

4. Reforestation of High Value Public Lands. Establish a fund in the amount of \$1,000,000 for reforestation of high value public lands impacted by the beetle with an objective of restoring public benefits associated with these lands. One-half of funding would be dedicated to federal lands and remaining half to state and local lands and administered by the U.S. Forest Service's State and Private Forestry through a grant process.

Public Education

Publicize Tree Seeding Sources. Make it easier for small landowners to locate tree seedlings should they wish to replace trees. ADNRR/DOF should maintain a list of sources of small quantities of seedlings and produce simple publications for the public on where and how to acquire the seedlings. This effort is anticipated to be possible without additional costs and the Task Force recommends that the Division of Forestry should work with the KPFB and the USFS to coordinate printing of the publication(s). It is noted that the Task Force is not suggesting elaborate and costly publications - just the basic information in a brief format.

Longer Term Technical Assistance. Recommendation for addition of one position to the UA Cooperative Extension Unit at \$75,000 per year with \$40,000 per year budgeted for publications and communications. A 5-year project is suggested with an assessment of the project merits by the end of year 4. The effort is envisioned to be proactive and community oriented with a majority of the work conducting workshops and making other public contacts outside of an office.

Communications

The following recommendation reflect the Task Force's view that the beetle problem is part of a natural ecological process that takes a long time to cycle and that tourists and residents should be educated as to the context of the infestation and what is being done.

Improve Public Access to Information. Establish an electronic clearinghouse that provides descriptions of how to deal with beetles with responsibility for implementation shared by the Co-op Extension Unit and DNR. The information should keep public advised of what is being done.

Immediate Action. KPFB to develop and maintain a coordinated Home Page that will contain information expected to be most frequently sought by land owners. Access to more advanced or specialized information will be made available via links to existing and future federal, state, local and private sources. Recommended funding of \$10,000 for implementation by July 1, 1998.

Public Education. Implement a proactive approach to public education that considers methods to enhance the tourist and resident opportunities including trail restoration, signage, and access. Specific projects are intended to educate tourists (and residents) on natural forest systems.

Immediate Action. Create an interpretive brochure that describes the infestation, including its historical context, and the actions that are being taken for distribution to tourism and public organizations. Efforts should be made to include the information in popular tourist publications such as the Kenai Peninsula Visitor's Guide, the Anchorage Daily News Visitor's Guide, the Milepost, and a page in the Alaska Sport fishing regulation booklet made available each year to anglers. In addition, the Task Force recommends that at least two (2) locations with view of infested areas receive interpretive signage describing the infestation. Initial funding of \$30,000 is recommended.

Interpretive Displays; part of Longer Term Action. A more extensive interpretive display regarding the infestation should either be established at an existing facility in the Borough or appropriate financial support should be made available in coordination with other groups or agency initiatives with similar objectives.

Tourism. Recommendation is for a longer term project for a Demonstration Forest Area to study and illustrate the results of alternative silviculture treatments. Project would provide public viewing areas as to what the beetle infestation looks like as well as the actions that are being taken in different areas.

Public Education on Role of Fire: Provide public information taking advantage of current work products such as the Fish and Wildlife Service's program "The Role of Fire in Alaska" and other published materials that improves the public's understanding of the beneficial uses of fire. Projected Cost: \$20,000

Community Planning and Involvement. Encourage the establishment of community planning and local action groups to provide an ongoing local effort in support of the Beetle Infestation management.

Notices to Absentee Property Owners. The Kenai Peninsula Borough's existing communications with absentee property owners should be augmented with relevant information regarding the beetle infestation and programs underway that may impact the property owner.

HB

389

ALASKA STATE LEGISLATURE

2/26

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

To: Representative Carl Morgan
Co-Chair, Community & Regional Affairs Committee

From: Representative Vic Kohring *VK*

Date: February 12, 2002

Re: Request for Hearing HB 389

I respectfully request that a hearing be scheduled in your committee for HB 389. MUNI TAX EXEMPTION: DETERIORATED PROPERTY. This bill will extend the sunset date of the existing statute (AS 29.45.050(o)) from July 1, 2002 until July 1, 2005.

Attached are the bill, sponsor statement, and an overview and the historic documents of the two bills that established this statute in prior legislative sessions.

Thank you for your consideration.

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
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Fax - (907) 465-3818

REPRESENTATIVE VIC KOHRING
DISTRICT 26

SPONSOR STATEMENT

HOUSE BILL 389

MUNI TAX EXEMPTION: DETERIORATED PROPERTIES

Alaska Statute 29.45.050 allows municipalities to exempt certain properties from property taxes. Historical sites, non-profit organization properties, and student housing are examples of allowed exemptions.

AS 29.45.050(o) allows municipalities to exempt deteriorated properties once substantial rehabilitation improvements have started. This concept is to encourage economic revitalization and increase a municipality's tax base.

AS 29.45.050(o) sunsets July 1, 2002. This bill will extend this date three years until July 1, 2005.

HB 389

MUNI TAX EXEMPTION: DETERIORATED PROPERTIES

Background Information

HB 399 was filed during the 1997 legislative session. HB 399 provided municipalities with the option to exempt and defer municipal property taxes on defined "deteriorated properties." This exemption/deferral was for up to five years once substantial rehabilitation was started and could only be granted once. The intent was to provide tax relief to increase financing options for those willing to rehabilitate condemned properties, eventually resulting in increased property values and municipal property taxes. No expiration date was included.

HB 399 was passed and AS 29.45.050(o) took effect July 1, 1998.

HB 76 was filed in the 1998 session. HB 76 amended AS 29.45.050(o) at the request of the Municipality of Anchorage. The changes were technical amendments to clarify the intent to encourage rehabilitation of deteriorated properties. HB 76 also included an expiration/sunset date of July 1, 2002.

HB 76 was passed and took effect July 1, 1999.

Alaska State Legislature

House of Representatives

COMMITTEE ASSIGNMENTS:

LABOR & COMMERCE
MILITARY & VETERANS AFFAIRS
COMMUNITY & REGIONAL AFFAIRS
OIL & GAS



Representative Joe Ryan

1 800-922-3875

<http://www.akrepublicans.org>

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ANCHORAGE, AK 99501
PHONE (907) 258-8161

SESSION:

STATE CAPITOL
ROOM 420
JUNEAU, AK 99801-1182
PHONE (907) 465-3875

SPONSOR STATEMENT for

House Bill 399

The intent of this bill is to authorize local municipalities the option to provide a tax exemption for improvements of deteriorated real property. The concept is based on other state's local economic revitalization tax programs. Local municipalities will have the flexibility of allowing renovations of real property in order to increase the value of that real property, for tax purposes.

ALASKA STATE LEGISLATURE

CO-CHAIR
COMMUNITY AND REGIONAL AFFAIRS

VICE-CHAIR
LABOR AND COMMERCE
TRANSPORTATION

SPECIAL COMMITTEE
ECONOMIC DEVELOPMENT AND TOURISM



REPRESENTATIVE ANDREW HALCRO

District 12

STATE CAPITOL, ROOM 418
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FAX (907) 465-2418
1-800-465-4939

INTERIM
716 WEST 4TH
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(907) 269-0244
FAX (907) 269-0248

Sponsor Statement HB 76

During the last session, the Legislature approved HB 399, which authorized municipal governments to exempt and defer the payment of municipal taxes on deteriorated property. This legislation is reflected in the addition of subsection (o) to AS 29.45.050.

In response to this legislation, the Anchorage Assembly adopted a Municipal Ordinance (OA-98-135) providing for the tax deferral for deteriorated property to encourage redevelopment.

However, because of ambiguities in the new statute, the Municipality of Anchorage has requested technical amendments to AS 29.45.050. These amendments include:

1. Clarifying that a Municipality may either partially or totally exempt a deteriorated property from property taxes;
2. Providing that the exemption may begin any time on or after substantial rehabilitation begins; and
3. Prohibits an exemption and deferral of property taxes to be in effect simultaneously.

These are minor changes to the statute, but are required to fully realize the intent of the legislation passed last year to encourage rehabilitation of deteriorated properties.

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Submitted by: Assemblymember Wohlforth
Prepared by: Assembly Office
For reading: February 2, 1999

CLERK'S OFFICE
APPROVED

Date: 2-2-99

ANCHORAGE, ALASKA
AR NO. 99- 29

A RESOLUTION OF THE ANCHORAGE MUNICIPAL ASSEMBLY SUPPORTING CERTAIN AMENDMENTS TO ALASKA STATUTE 29.45.050(o) REGARDING TAX EXEMPTION AND DEFERRAL FOR DETERIORATED PROPERTY

WHEREAS, in May, 1998, the Alaska Legislature approved HB 399, an act authorizing municipalities to permit, by ordinance, the exemption from, and deferral of payment of, municipal taxes on deteriorated property, and defining 'deteriorated property' for purposes of the exemption or deferral; and HB 399 became law on July 1, 1998 and resulted in the addition of subsection (o) to AS 29.45.050; and

WHEREAS, in September, 1998, pursuant to AS 29.45.050(o), the Assembly adopted AO 98-135, providing for tax exemption and tax deferral for deteriorated property; and

WHEREAS, it has come to the attention of the Municipality that certain ambiguities exist in the state law, AS 29.45.050(o), relating to (1) the intent of the legislature to permit a total exemption, (2) the date when the exemption shall begin, and (3) whether the exemption and deferral are permitted to run consecutively; and

WHEREAS, a bill amending AS 29.45.050(o) has been drafted (see attached) and will be introduced in the state legislature which will clarify the language of AS 29.45.050(o) and will allow partial or total tax exemption for deteriorated property, will permit the exemption to begin on or after the day of substantial rehabilitation, renovation, or replacement of a structure on deteriorated property, and will permit the exemption and deferral to run consecutively for a total of up to ten years; and

WHEREAS, the Assembly finds that the changes to AS 29.45.050(o), as proposed in the draft bill, would benefit the Municipality by stimulating the redevelopment by private enterprise of blighted property within the Municipality.

NOW, THEREFORE, the Anchorage Assembly resolves:

- Section 1. That the Assembly supports the proposed amendments to AS 29.45.050(o).
- Section 2. That, upon passage and approval, the Municipal Clerk shall forward this resolution to the Alaska Legislature.

PASSED AND APPROVED by the Anchorage Assembly this 2nd day of February, 1999.

[Signature]
Chair

ATTEST:

[Signature]
Municipal Clerk



February 10, 1999

To: House Community on Regional Affairs Committee

Att: Chairman Halcro

RE: HB76

From: Rod Pfeleger
Executive Director

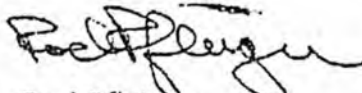
Dear Representative Halcro:

The statute embodied in SB54, AS29.45.050(o), became law last year. Subsequent to that the Anchorage Assembly passes AO98-135 to amend municipal code so that the law could be utilized. The municipal attorney asked for the minor changes to AS29.15.050(o) contained in SB54 in order to make things more clear.

This fits into our mission by allowing financing for residential projects which creates an increase in cleanliness, occupancy rates, investments values and lease income, to decrease crime, and to generally stimulate economic development and improve the quality of life in downtown Anchorage.

Please pass SB54 out of your committee so it may become law.

Sincerely,



Rod Pfeleger

THE
FOLLOWING
DOCUMENT(S)
ARE
POOR
ORIGINAL
COPIES

WRITTEN TESTIMONY OF MARGARET J. RAWITZ
IN SUPPORT OF SB 54 AND HB 76

I am an attorney and I have practiced law in Alaska since 1975. I have been closely involved with the legislation providing for municipal authority to grant tax exemptions and tax deferrals for deteriorated property. I researched laws in other states which granted tax exemptions for deteriorated property and drafted the original version of HB 399, which was introduced in the legislature in 1998, and which eventually became codified as AS 29.45.050(o).

After HB 399 was passed, I drafted an ordinance creating a tax exemption and deferral program in the Municipality of Anchorage. This ordinance was passed by the Anchorage Assembly and became codified in AMC 12.35. I have had several discussions with municipal officials regarding certain concerns they have expressed about the interpretation of AS 29.45.050(o) and practical issues relating to timing.

I have drafted SB 54/HB 76, which is now before you. The purpose of SB 54/HB 76 is to clarify language in AS 29.45.050(o) that is potentially confusing. I believe the amendments contained in SB 54/HB 76 will resolve the legal concerns expressed to me by the municipality. Three changes to subsection (o) are proposed in SB 54/HB 76:

- 1) The words "or totally" have been added at line 5, page 1. The original version of HB 399 provided for a partial or total exemption. The bill that finally emerged from committee and became law did not contain the word "totally".

I believe the change may have been the result of a typographical error. I researched the committee reports and could not find any discussion of, or explanation for, the change. It does not make sense to limit the exemption to a partial exemption because no parameters have been specified. By contrast, AS 29.45.050(j) provides for an exemption of "up to 75%". But without such parameters in subsection (o), a 99.9% exemption is permitted as a "partial" exemption. Rep. Joe Ryan, who sponsored HB 399 last year, has advised me that it was his intention to allow a partial or total exemption.

- 2) A change has been made at lines 6-7 and 9-10, page 1. It is not clear whether the statute requires that an exemption or deferral begin only at the time that renovation begins or whether it permits an exemption or deferral to begin at any time after the beginning of renovation. Since most municipalities would prefer to (or are required to) begin a period of exemption or deferral on the first day of the tax year, it is appropriate to permit an exemption to begin at any time on or after the beginning of renovation, since renovation is not likely to begin on the first day of the tax year.

Furthermore, municipalities have an interest in assuring that the renovation is completed. The new language would allow a municipality to delay the exemption and/or deferral until the renovation work has been substantially completed.

- 3) It is not clear whether AS 29.45.050(o) permits a five-year exemption to be followed by a five-year deferral. The addition at lines 2-4 on page 2 makes it clear that a five-year exemption may be followed by a five-year deferral. Again, this was what Representative Ryan intended.



UNITED BROTHERHOOD OF
Carpenters and Joiners of America

LOCAL UNION NO. 1281

407 DENALI
SUITE 100
PHONE 276-7333
ANCHORAGE, ALASKA 99501
Fax : 276-7962



February 17, 1999

TO: House Community on Regional Affairs Committee

ATTN: Chairman Halcro

RE: HB76

Dear Representative Halcro:

The statute embodied in HB76, AS29.45.050(o), became law last year. Subsequent to that the Anchorage Assembly passed AO98-135 to amend municipal code so that the law could be utilized. The municipal attorney asked for the minor changes to AS29.45.050(o) contained in HB76 in order to make things more clear.

Please pass HB76 out of your committee so it may become law.

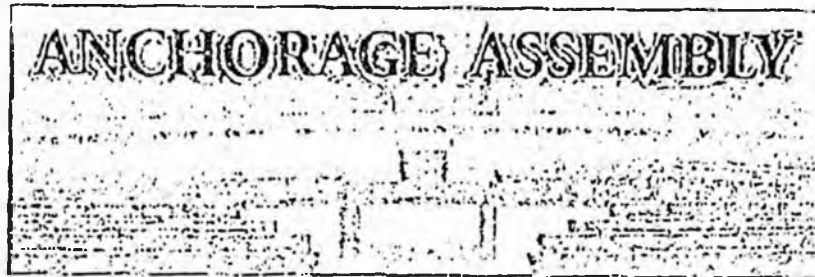
Very truly yours,

Royce R. Rock
Business Manager

Greg Moyer
Director
(907) 343-4755

Elva Gray Jackson
Assembly Analyst
(907) 343-4751

Joy Pantalone
Admin. Assistant
(907) 343-4751



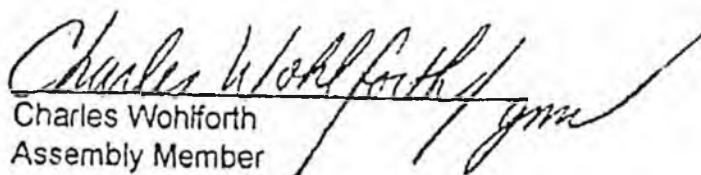
Date: February 10, 1999
To: House Community & Regional Affairs Committee
Attn: Rep. Halcro, Chairman
From: Charles Wohlforth, Assembly Member
Subject: HB76

Rep. Halcro:

As you know, the statute embodied in HB76 - AS29.45.050(o) - became law last year. Then, the Anchorage Assembly passed AO 98-135 which amended Municipal code so that the law could be utilized. The Municipal Attorney has requested minor changes to AS29.45.050(o) - which are contained in HB76 - in order to make things more clear.

I respectfully request that, upon your Committee's review, that this bill be passed out of Committee. I hope you agree with me that this bill should become law.

Sincerely,


Charles Wohlforth
Assembly Member

Tel: 274-2271

Post-It® Fax Note	7671	Date	# of pages
To	Rep. Halcro	From	
Co./Dept		Co	
Phone #		Phone #	

MARC A. MARLOW

2600 Railroad Avenue
Anchorage, Alaska 99501
Phone: (907) 258-9662 • Fax: (907) 277-0623

February 10, 1999

To: House Community on Regional Affairs Committee

Att: Chairman Halcro

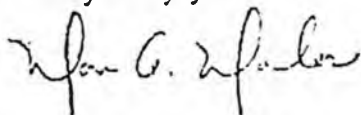
RE: HB76

Dear Representative Halcro:

The statute embodied in HB76, AS29.45.050(o), became law last year. Subsequent to that the Anchorage Assembly passed AO98-135 to amend municipal code so that the law could be utilized. The municipal attorney asked for the minor changes to AS29.45.050(o) contained in HB76 in order to make things more clear.

Please pass HB76 out of your committee so it may become law.

Very truly yours,



Marc A. Marlow

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HB 389
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: DCED
 Title Municipal Tax Exemption: Deteriorated Property BRU Community Assist & Econ Dev. (405)
 Component Community & Business Development
 Sponsor Representative Kohring
 Requester House Community & Regional Affairs Component No. 2486

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						
-----------------------------	--	--	--	--	--	--

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--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)

This bill does not impact the operations of the department.

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

Phone 907-269-4578
 Date/Time 2/25/02 5:01 PM
 Date 2/25/2002

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

To: Representative Kevin Meyer
Co-Chair, Community & Regional Affairs Committee

From: Representative Vic Kohring 

Date: February 12, 2002

Re: Request for Hearing HB 389

I respectfully request that a hearing be scheduled in your committee for HB 389. MUNI TAX EXEMPTION: DETERIORATED PROPERTY. This bill will extend the sunset date of the existing statute (AS 29.45.050(o)) from July 1, 2002 until July 1, 2005.

Attached are the bill, sponsor statement, and an overview and the historic documents of the two bills that established this statute in prior legislative sessions.

Thank you for your consideration.

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

HOUSE BILL 389

MUNI TAX EXEMPTION: DETERIORATED PROPERTIES

Alaska Statute 29.45.050 allows municipalities to exempt certain properties from property taxes. Historical sites, non-profit organization properties, and student housing are examples of allowed exemptions.

AS 29.45.050(o) allows municipalities to exempt deteriorated properties once substantial rehabilitation improvements have started. This concept is to encourage economic revitalization and increase a municipality's tax base.

AS 29.45.050(o) sunsets July 1, 2002. This bill will extend this date three years until July 1, 2005.

HB 389

MUNI TAX EXEMPTION: DETERIORATED PROPERTIES

Background Information

HB 399 was filed during the 1997 legislative session. HB 399 provided municipalities with the option to exempt and defer municipal property taxes on defined "deteriorated properties." This exemption/deferral was for up to five years once substantial rehabilitation was started and could only be granted once. The intent was to provide tax relief to increase financing options for those willing to rehabilitate condemned properties, eventually resulting in increased property values and municipal property taxes. No expiration date was included.

HB 399 was passed and AS 29.45.050(o) took effect July 1, 1998.

HB 76 was filed in the 1998 session. HB 76 amended AS 29.45.050(o) at the request of the Municipality of Anchorage. The changes were technical amendments to clarify the intent to encourage rehabilitation of deteriorated properties. HB 76 also included an expiration/sunset date of July 1, 2002.

HB 76 was passed and took effect July 1, 1999.

Alaska State Legislature

House of Representatives

COMMITTEE ASSIGNMENTS:

LABOR & COMMERCE
MILITARY & VETERANS AFFAIRS
COMMUNITY & REGIONAL AFFAIRS
OIL & GAS



Representative Joe Ryan

1 800-922-3875 <http://www.akrepublicans.org>

INTERIM:

716 W. 4TH AVE.
ANCHORAGE, AK 98501
PHONE (907) 258-8161

SESSION:

STATE CAPITOL
ROOM 420
JUNEAU, AK 99801-1182
PHONE (907) 465-3876

SPONSOR STATEMENT for

House Bill 399

The intent of this bill is to authorize local municipalities the option to provide a tax exemption for improvements of deteriorated real property. The concept is based on other state's local economic revitalization tax programs. Local municipalities will have the flexibility of allowing renovations of real property in order to increase the value of that real property, for tax purposes.

Bill Text



BILL ID: SCS HB 399(RLS)

00 SENATE CS FOR HOUSE BILL NO. 399(RLS)

01 *An Act relating to an optional exemption from, and deferral of payment of,
02 municipal taxes on deteriorated property, and defining 'deteriorated property' for
03 purposes of the exemption or deferral; and providing for an effective date.*

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

05 * Section 1. AS 29.45.050 is amended by adding a new subsection to read:

06 (o) A municipality may by ordinance partially exempt all or some types of
07 deteriorated property from taxation for up to five years after the day substantial
08 rehabilitation, renovation, or replacement of any structure on the property begins.
09 municipality may by ordinance permit deferral of payment of taxes on all or some
10 types of deteriorated property for up to five years after the day substantial
11 rehabilitation, renovation, or replacement of any structure on the property begins.
12 However, if the ownership of property for which a deferral has been granted is
13 transferred, all tax payments deferred under this subsection are immediately due ar
14 the deferral ends, or, if ownership of only part of the property is transferred, al
01 payments attributable to that part are immediately due and the deferral attributabl
02 that part ends. Only one exemption and only one deferral may be granted to the san
03 property under this subsection. In this subsection, "deteriorated property" means
04 property that is commercial property not used for residential purposes or that is n
05 unit residential property with at least eight residential units, and that

06 (1) has been the subject of an order by a government agency requiring
07 the property to be vacated, condemned, or demolished by reason of noncompliance
08 with laws, ordinances, or regulations;

09 (2) has a structure on it not less than 15 years of age that has
10 undergone substantial rehabilitation, renovation, or replacement, subject to any
11 conditions prescribed in the ordinance; or

12 (3) is located in a deteriorating or deteriorated area with boundaries that
13 have been determined by the municipality.

14 * Sec. 2. This Act takes effect July 1, 1998.

Bill Root:

[Return to BASIS Main Menu\(20th Legislature\)](#)

[Return to the Legislature Home Page](#)

BASIS Last Updated 12/31/98

Submitted by: Assemblymember Wohlforth
Prepared by: Assembly Office
For reading: February 2, 1999

CLERK'S OFFICE

APPROVED

Date: 2-2-99

ANCHORAGE, ALASKA

AR NO. 99- 29

2
3
4
5
6
7
8 A RESOLUTION OF THE ANCHORAGE MUNICIPAL ASSEMBLY SUPPORTING CERTAIN
9 AMENDMENTS TO ALASKA STATUTE 29.45.050(o) REGARDING TAX EXEMPTION AND
10 DEFERRAL FOR DETERIORATED PROPERTY

11
12
13 WHEREAS, in May, 1998, the Alaska Legislature approved HB 399, an act authorizing
14 municipalities to permit, by ordinance, the exemption from, and deferral of payment of, municipal taxes
15 on deteriorated property, and defining 'deteriorated property' for purposes of the exemption or deferral;
16 and HB 399 became law on July 1, 1998 and resulted in the addition of subsection (o) to AS 29.45.050;
17 and

18
19 WHEREAS, in September, 1998, pursuant to AS 29.45.050(o), the Assembly adopted AO 98-
20 135, providing for tax exemption and tax deferral for deteriorated property; and

21
22 WHEREAS, it has come to the attention of the Municipality that certain ambiguities exist in the
23 state law, AS 29.45.050(o), relating to (1) the intent of the legislature to permit a total exemption, (2)
24 the date when the exemption shall begin, and (3) whether the exemption and deferral are permitted
25 to run consecutively; and

26
27 WHEREAS, a bill amending AS 29.45.050(o) has been drafted (see attached) and will be
28 introduced in the state legislature which will clarify the language of AS 29.45.050(o) and will allow
29 partial or total tax exemption for deteriorated property, will permit the exemption to begin on or after
30 the day of substantial rehabilitation, renovation, or replacement of a structure on deteriorated property,
31 and will permit the exemption and deferral to run consecutively for a total of up to ten years; and

32
33 WHEREAS, the Assembly finds that the changes to AS 29.45.050(o), as proposed in the draft
34 bill, would benefit the Municipality by stimulating the redevelopment by private enterprise of blighted
35 property within the Municipality.

36
37 NOW, THEREFORE, the Anchorage Assembly resolves:

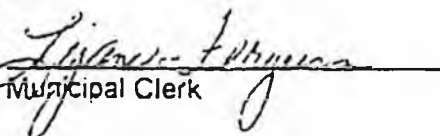
38
39 Section 1. That the Assembly supports the proposed amendments to AS 29.45.050(o).

40
41 Section 2. That, upon passage and approval, the Municipal Clerk shall forward this
42 resolution to the Alaska Legislature.

43
44 PASSED AND APPROVED by the Anchorage Assembly this 2nd day of February,
45 1999.

46
47 
48

49 ATTEST:

50
51 
52 Municipal Clerk

ALASKA STATE LEGISLATURE

CO-CHAIR
COMMUNITY AND REGIONAL AFFAIRS

VICE-CHAIR
LABOR AND COMMERCE
TRANSPORTATION

SPECIAL COMMITTEE
ECONOMIC DEVELOPMENT AND TOURISM



REPRESENTATIVE ANDREW HALCRO

District 12

STATE CAPITOL, ROOM 418
JUNEAU, AK 99801-1182
(907) 465-4939
FAX (907) 465-2418
1-800-465-4939

INTERIM
716 WEST 4TH
ANCHORAGE, AK 99501
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Sponsor Statement HB 76

During the last session, the Legislature approved HB 399, which authorized municipal governments to exempt and defer the payment of municipal taxes on deteriorated property. This legislation is reflected in the addition of subsection (o) to AS 29.45.050.

In response to this legislation, the Anchorage Assembly adopted a Municipal Ordinance (OA-98-135) providing for the tax deferral for deteriorated property to encourage redevelopment.

However, because of ambiguities in the new statute, the Municipality of Anchorage has requested technical amendments to AS 29.45.050. These amendments include:

1. Clarifying that a Municipality may either partially or totally exempt a deteriorated property from property taxes;
2. Providing that the exemption may begin any time on or after substantial rehabilitation begins; and
3. Prohibits an exemption and deferral of property taxes to be in effect simultaneously.

These are minor changes to the statute, but are required to fully realize the intent of the legislation passed last year to encourage rehabilitation of deteriorated properties.

Bill Text

**BILL ID: HB 76**

00 CS FOR HOUSE BILL NO. 76(RLS) am S

01 "An Act relating to an exemption from and deferral of payment on municipal
02 taxes on deteriorated property; and providing for an effective date."

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

04 * Section 1. AS 29.45.050(o) is amended to read:

05 (o) A municipality may by ordinance partially or totally exempt all or some
06 types of deteriorated property from taxation for up to five years **beginning on or any**
07 **time** after the day substantial rehabilitation, renovation, or replacement of any structure
08 on the property begins. A municipality may by ordinance permit deferral of payment
09 of taxes on all or some types of deteriorated property for up to five years **beginning**
10 **on or any time** after the day substantial rehabilitation, renovation, or replacement of
11 any structure on the property begins. However, if the ownership of property for which
12 a deferral has been granted is transferred, all tax payments deferred under this
13 subsection are immediately due and the deferral ends, or, if ownership of **any [ONLY]**
14 **part** of the property is transferred, all tax payments [ATTRIBUTABLE TO THAT
01 **PART]** are immediately due. **The amount deferred each year is a lien on that**
02 **property for that year [AND THE DEFERRAL ATTRIBUTABLE TO THAT PART**
03 **ENDS].** Only one exemption and only one deferral may be granted to the same
04 property under this subsection, **and, if an exemption and a deferral are granted to**
05 **the same property, both may not be in effect on the same portion of the property**
06 **during the same time.** An ordinance adopted under this subsection must include
07 **specific eligibility requirements and require a written application for each**
08 **exemption or deferral.** In this subsection, "deteriorated property" means real property
09 that is commercial property not used for residential purposes or that is multi-unit
10 residential property with at least eight residential units, and that

11 (1) has been the subject of an order by a government agency requiring
12 the property to be vacated, condemned, or demolished by reason of noncompliance
13 with laws, ordinances, or regulations;

14 (2) has a structure on it not less than 15 years of age that has
15 undergone substantial rehabilitation, renovation, or replacement, subject to any
16 conditions prescribed in the ordinance; or

17 (3) is located in a deteriorating or deteriorated area with boundaries that
18 have been determined by the municipality.

19 * Sec. 2. AS 29.45.050(o) is repealed July 1, 2002.

20 * Sec. 3. This Act takes effect July 1, 1999.

Bill Root: Display Bill Root



TO REPORT PROBLEMS WITH BASIS INQUIRY



February 10, 1999

To: House Community on Regional Affairs Committee

Att: Chairman Halcro

RE: HB76

From: Rod Pfeiger
Executive Director

Dear Representative Halcro:

The statute embodied in SB54, AS29.45.050(o), became law last year. Subsequent to that the Anchorage Assembly passes AO98-135 to amend municipal code so that the law could be utilized. The municipal attorney asked for the minor changes to AS29.15.050(o) contained in SB54 in order to make things more clear.

This fits into our mission by allowing financing for residential projects which creates an increase in cleanliness, occupancy rates, investments values and lease income, to decrease crime, and to generally stimulate economic development and improve the quality of life in downtown Anchorage.

Please pass SB54 out of your committee so it may become law.

Sincerely,

A handwritten signature in black ink, appearing to read 'Rod Pfeiger', is written over the typed name.

Rod Pfeiger

WRITTEN TESTIMONY OF MARGARET J. RAWITZ
IN SUPPORT OF SB 54 AND HB 76

I am an attorney and I have practiced law in Alaska since 1975. I have been closely involved with the legislation providing for municipal authority to grant tax exemptions and tax deferrals for deteriorated property. I researched laws in other states which granted tax exemptions for deteriorated property and drafted the original version of HB 399, which was introduced in the legislature in 1998, and which eventually became codified as AS 29.45.050(o).

After HB 399 was passed, I drafted an ordinance creating a tax exemption and deferral program in the Municipality of Anchorage. This ordinance was passed by the Anchorage Assembly and became codified in AMC 12.35. I have had several discussions with municipal officials regarding certain concerns they have expressed about the interpretation of AS 29.45.050(o) and practical issues relating to timing.

I have drafted SB 54/HB 76, which is now before you. The purpose of SB 54/HB 76 is to clarify language in AS 29.45.050(o) that is potentially confusing. I believe the amendments contained in SB 54/HB 76 will resolve the legal concerns expressed to me by the municipality. Three changes to subsection (o) are proposed in SB 54/HB 76:

- 1) The words "or totally" have been added at line 5, page 1. The original version of HB 399 provided for a partial or total exemption. The bill that finally emerged from committee and became law did not contain the word "totally".

I believe the change may have been the result of a typographical error. I researched the committee reports and could not find any discussion of, or explanation for, the change. It does not make sense to limit the exemption to a partial exemption because no parameters have been specified. By contrast, AS 29.45.050(j) provides for an exemption of "up to 75%". But without such parameters in subsection (o), a 99.9% exemption is permitted as a "partial" exemption. Rep. Joe Ryan, who sponsored HB 399 last year, has advised me that it was his intention to allow a partial or total exemption.

- 2) A change has been made at lines 6-7 and 9-10, page 1. It is not clear whether the statute requires that an exemption or deferral begin only at the time that renovation begins or whether it permits an exemption or deferral to begin at any time after the beginning of renovation. Since most municipalities would prefer to (or are required to) begin a period of exemption or deferral on the first day of the tax year, it is appropriate to permit an exemption to begin at any time on or after the beginning of renovation, since renovation is not likely to begin on the first day of the tax year.

Furthermore, municipalities have an interest in assuring that the renovation is completed. The new language would allow a municipality to delay the exemption and/or deferral until the renovation work has been substantially completed.

- 3) It is not clear whether AS 29.45.050(o) permits a five-year exemption to be followed by a five-year deferral. The addition at lines 2-4 on page 2 makes it clear that a five-year exemption may be followed by a five-year deferral. Again, this was what Representative Ryan intended.



UNITED BROTHERHOOD OF
Carpenters and Joiners of America

LOCAL UNION NO. 1281

407 DENALI
SUITE 100
PHONE 276 3833
ANCHORAGE, ALASKA 99501
Fax : 276-7962



February 17, 1999

TO: House Community on Regional Affairs Committee

ATTN: Chairman Halcro

RE: HB76

Dear Representative Halcro:

The statute embodied in HB76, AS29.45.050(o), became law last year. Subsequent to that the Anchorage Assembly passed AO98-135 to amend municipal code so that the law could be utilized. The municipal attorney asked for the minor changes to AS29.45.050(o) contained in HB76 in order to make things more clear.

Please pass HB76 out of your committee so it may become law.

Very truly yours,

Royce R. Rock
Business Manager

Greg Moyer
Director
(907) 343-4755

Eli Gray-Jackson
Assembly Analyst
(907) 343-4751

Joy Pantalone
Admin. Assistant
(907) 343-4750



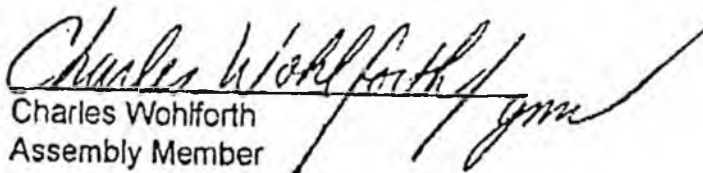
Date: February 10, 1999
To: House Community & Regional Affairs Committee
Attn: Rep. Halcro, Chairman
From: Charles Wohlforth, Assembly Member
Subject: **HB76**

Rep. Halcro:

As you know, the statute embodied in HB76 - AS29.45.050(o) - became law last year. Then, the Anchorage Assembly passed AO 98-135 which amended Municipal code so that the law could be utilized. The Municipal Attorney has requested minor changes to AS29.45.050(o) - which are contained in HB76 - in order to make things more clear

I respectfully request that, upon your Committee's review, that this bill be passed out of Committee. I hope you agree with me that this bill should become law.

Sincerely,


Charles Wohlforth
Assembly Member

Tel: 274-2271

Post-It® Fax Note	7671	Date	# of pages
To	Rep. Halcro	From	
Co./Dept.		Co	
Phone #		Phone #	

MARC A. MARLOW

2600 Railroad Avenue

Anchorage, Alaska 99501

Phone: (907) 258-9662 • Fax: (907) 277-0623

February 10, 1999

To: House Community on Regional Affairs Committee

Att: Chairman Halcro

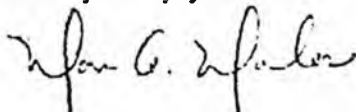
RE: HB76

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Please pass HB76 out of your committee so it may become law.

Very truly yours,



Marc A. Marlow