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MUNICIPAL

TAXATION

1963-1969

AN INTRODUCTION TO ALASKA LOCAL GOVERNMENT

A Short Summary on the Borough Legislation

INTRODUCTION

This is the first issue of Alaska Local Government. It is devoted entirely to this brief introduction and a summary analysis of the recently enacted borough legislation. Future issues will contain articles on various aspects of local government; and intergovernmental relations in Alaska, summaries of local government and intergovernmental activities in other states, and references and citations to information on local governmental activities and intergovernmental relation which readers may wish to obtain for their own use from the sources cited. These references will be limited to items which, in the opinion of the editors, are either useful enough to encourage the readers to acquire them or important enough to encourage the readers to make further inquiries about them to the sources cited. Many citations will be to items which some readers will know about from other publications they regularly receive. However, because many readers will have no publication in this field other than Alaska Local Government, this duplication cannot be avoided.

The editors hope that state and local government officials and other interested persons will use Alaska Local Government both as a source of information and as an outlet for information which they possess and wish to make available generally. Every official--engineers, attorneys, planners, managers, mayors, public safety officers, clerks--whether state or local, has some idea, acquires some new information, or develops some new and improved method which would be of mutual benefit to his fellows in another unit of government. He has only to jot down a brief (or extended if he wishes) notation of what he has done and send it to the editors to have it circulated to every interested official in the state; and each official is, therefore, encouraged to do so.

Grey

A L A S K A
L O C A L
G O V E R N M E N T

VOLUME IV, NO. 1

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IN THIS ISSUE

THE WEIGHTED VOTE

Introduction

On the basis of 1960 census returns, each of six of the State's nine organized boroughs -- Gateway, Greater Anchorage Area, Greater Juneau, Greater Sitka, Kodiak Island, and North Star -- has a majority of its population within a single first class city. The representatives of these cities on their respective borough assemblies are entitled to the use of the weighted vote on areawide borough functions. This issue of Alaska Local Government discusses the use of the weighted vote.

Two Types of Voting

In organized boroughs having one or more cities within their boundaries, the borough governs two areas: It provides several local government functions to the total borough, including cities, and, in addition, provides other local government functions to the area outside cities. The assembly must serve as two legislative bodies -- one to govern the total borough area and the other to govern the area outside cities only. Since one goal of borough government is to unify the natural community, one body governs in both areas. The assembly is apportioned to represent the total population of the borough without giving an overwhelming advantage to either first class cities or to the borough area outside first class cities. The area outside first class cities in each borough has one more representative on the borough assembly than the total number of assemblymen who represent first class cities. Assemblymen from first class cities are selected from city councils; other borough representatives are elected at large outside first class cities.

If a majority of the borough's population lives outside a first class city or cities, all assemblymen cast

Introduced: 2/24/65
Referred: Judiciary,
Local Government and
Finance

1 IN THE HOUSE

BY MR. O'CONNELL

2 HOUSE BILL NO. 175

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the financing of im-
7 provements by special assessment bonds in
8 first and second class cities and boroughs."

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

10 * Section 1. AS 29.10 is amended by adding a new section to
11 read:

12 Sec. 29.10.310. SPECIAL ASSESSMENT BONDS AUTHORIZED.

13 (a) The council may by ordinance cause to be issued special
14 assessment bonds to pay all or part of the cost of an im-
15 provement in the district. The principal and interest of
16 bonds issued shall be payable solely from the levy of special
17 assessments against the property to be benefitted. The
18 assessments shall constitute a sinking fund for the payment
19 of principal and interest on the bonds. Only the property
20 benefitted may be pledged by the council to secure payment.

21 (b) Upon default in a payment due on a special assess-
22 ment bond, a bondholder may enforce payment of principal and
23 interest and costs of collection in a civil action in the
24 same manner and with the same effect as actions for the fore-
25 closure of mortgages on real property. Foreclosure shall be
26 against all property on which assessments are in default.

1 IN THE SENATE BY SENATOR HANSEN

2 SENATE CONCURRENT RESOLUTION NO. 14

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRD LEGISLATURE - SECOND SESSION

5 Relating to the establishment of
6 a uniform accounting system for
7 organized boroughs.

8 BE IT RESOLVED BY THE SENATE, THE HOUSE OF REPRESENTATIVES CON-
9 CURRING:

10 WHEREAS, a uniform accounting system for organized boroughs
11 will substantially promote efficiency and accuracy in the manage-
12 ment of local tax revenues and state funds granted to boroughs
13 and will facilitate the establishment of these new governmental
14 units on a sound financial basis; and

15 WHEREAS, a uniform accounting system will be of significant
16 benefit to organized boroughs in reporting to the public, in
17 analyzing operating results, in comparing results with other
18 boroughs, in aiding potential investors to evaluate borough
19 finances and operations, in facilitating preparation and adminis-
20 tration of borough budgets, and in planning future financing for
21 borough activities; and

22 WHEREAS, boroughs organized at a future time will profit
23 greatly from the availability of a tested system of uniform
24 accounting applied in existing boroughs; and

25 WHEREAS, in order to establish a uniform accounting system
26 for organized boroughs the legislature must have information as to

Introduced: 1/26/67
Referred: Local Government
Finance

1 IN THE SENATE

BY ENGSTROM

2 SENATE BILL NO. 29

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act authorizing payments to political subdivisions
7 in lieu of taxes on state buildings situated within
8 those political subdivisions; and providing for an
9 effective date."

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

11 * Section 1. AS 44.21 is amended by adding a new section to read:

12 Sec. 44.21.060. PAYMENTS IN LIEU OF LOCAL TAXES ON STATE
13 BUILDINGS. (a) Within the limits of the annual legislative appropri-
14 ation which may be made for the purpose, the commissioner of adminis-
15 tration shall annually remit to the governing body of a political
16 subdivision a payment in lieu of local real property taxes on each
17 state building situated within the political subdivision. The sum re-
18 mitted shall be negotiated by the commissioner and the governing body
19 concerned on the basis of a fair and reasonable reimbursement for
20 services, improvements and facilities provided by the political sub-
21 division for the benefit of the state property. However, the sum
22 remitted may not exceed the amount of money which would ordinarily be
23 due for the tax year in effect at the time of negotiation if state
24 buildings within the political subdivision were subject to real
25 property taxes levied by the political subdivision. In addition, there
26 shall be deducted from the sum to be remitted (1) any amount which may
27 be remitted under other state law as payments in lieu of taxes on state
28 buildings for the same year and (2) any amount which the commissioner
29 finds necessary to deduct in order to make a proportionate allocation

SB 29

Introduced: 4/1/65
Referred: Local Govern-
ment and Finance

1 IN THE SENATE BY SENATOR PETER

2 SENATE BILL NO. 187

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to refunding of shared
7 taxes to the service areas from which
8 collected."

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

10 * Section 1. AS 07.10.130 is amended to read:

11 Sec. 07.10.130. INTEGRATION OF EXISTING SPECIAL
12 DISTRICTS AND SERVICE AREAS. Special service districts and
13 service areas in the unorganized borough existing at the
14 time of the incorporation of an organized borough and
15 located within the boundaries of the organized borough shall
16 be integrated into the organized borough within two years
17 after the date of the borough's incorporation. An organized
18 borough shall succeed to all the rights, powers, and duties
19 of any service area and of any school districts and public
20 utility districts included within its boundaries, including,
21 but not limited to, claims, franchises and other contractual
22 obligations, and liability for bonded and all other indebted-
23 ness, and shall succeed to all of the right, title, and
24 interest in the real and personal property held by the
25 service areas or districts. The borough assembly may levy
26 and collect special charges, taxes, or assessments including

Introduced: 2/1/67
Referred: Local Government,
Commerce and Finance

1 IN THE HOUSE

BY BORER BY REQUEST

2 HOUSE BILL NO. 98

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act providing for payments by the Alaska State
7 Housing Authority in lieu of local property taxes in
8 certain cases; and providing for an effective date."

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

10 * Section 1. AS 18.55.620(b) is amended to read:

11 (b) The property of the authority is declared to be public
12 property used for essential public and governmental purposes and the
13 property and the authority are exempt from all taxes of [A MUNICIPALITY
14 ,] the state or a political subdivision of the state. However, the
15 authority shall, from the time it acquires title to property in a re-
16 development project until it sells, leases or otherwise disposes of
17 that property, make payment equal in amount and in lieu of taxes which
18 would be assessed and paid to a political subdivision in which the
19 property is situated if the property had not been acquired by the
20 authority. From the time the authority sells, leases or otherwise
21 transfers the property, the obligation of the authority to make
22 payment in lieu of taxes shall cease and the property shall thereafter
23 be taxable in the same manner as other property within the political
24 subdivision, unless the property is exempt from taxation by law. The
25 property sold, leased or otherwise transferred by the authority may
26 be assessed for taxation on that part of the tax year during which it
27 was not owned by the authority, unless the property is exempt from
28 taxation by law. Except for the payments required by this subsection,
29 the power vested in the authority to make payments in lieu of taxes

Introduced: 2/15/67
Referred: Local Government

1 IN THE HOUSE

BY METCALF AND TILLION

2 HOUSE BILL NO. 183

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act exempting from city and borough taxation
7 certain real property of senior citizens who are
8 residents of the state and otherwise qualify."

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

10 * Section 1. AS 29.10.336(a) is amended to read:

11 (a) Property owned by the city or the state, the real property
12 of certain residents of the state to the extent and subject to the
13 conditions provided in (e) of this section, the household furniture of
14 the head of a family or a householder not exceeding \$200 in value, all
15 property used exclusively for nonprofit religious, charitable, cemetery,
16 hospital, or educational purposes, the property of an organization, not
17 organized for business purposes, whose membership is composed entirely
18 of the veterans of a war of the United States, or the property of the
19 auxiliary of any such organization, and all money on deposit are exempt
20 from taxation.

21 * Sec. 2. AS 29.10.336 is amended by adding new subsections to read:

22 (e) The real property of a resident of the state 65 years of age
23 who meets the qualifications prescribed in (1) - (4) of this subsection
24 is exempt from taxation to an amount not exceeding the assessed value
25 of his interest in the property or \$7,200, whichever is less. However,
26 property which may be exempt is limited to the taxpayer's place of
27 abode and real property contiguous to it. No exemption may be granted
28 except upon written application for the exemption upon a form prescribed
29 by the state assessor for use by local assessors. To qualify for the

Introduced: 3/13/64
Referred: State Affairs

1 IN THE SENATE

BY THE STATE AFFAIRS COMMITTEE

2 SENATE BILL NO. 333

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRD LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to assessment of state
7 property for local improvements; and provid-
8 ing for an effective date."

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

10 * Section 1. The purpose of this Act is to have the state bear
11 its just and equitable proportion of the cost of local improvements
12 specially benefitting state property.

13 * Sec. 2. AS 29.10 is amended by adding a new section to read:

14 Sec. 29.10.331. ASSESSMENT OF STATE PROPERTY. (a) The
15 council may assess for the cost of local improvements all
16 real property held or owned by the state in fee simple,
17 whether in trust or otherwise, which is within the corporate
18 limits of the city and which is specially benefitted by the
19 improvement for which the assessment is made. Assessments
20 shall be made in the manner provided in this chapter, except
21 as otherwise provided in this section.

22 (b) Assessments shall be made in proportion to the
23 special benefit conferred upon the real property of the state
24 by the improvement. However, the assessment against the state
25 shall be limited to the benefit conferred upon the interest
26 which the state holds in the real property at the time the

STATE OF ALASKA

WILLIAM A. EGAN, GOVERNOR

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

BOX 2170 - JUNEAU

1962 Opinions of the
Attorney General No. 16

September 20, 1962

The Honorable Floyd Guertin
Commissioner of Administration
Alaska Office Building
Juneau, Alaska

Re: Immunity of State Agencies from State
Taxation; on Interpretation of Article IX,
Section 4, Constitution of the State of
Alaska.

Dear Mr. Guertin:

You have requested an opinion regarding the im-
munity of state governmental agencies from taxation under
state tax laws.

As an attribute of its sovereignty, the State of
Alaska is immune from taxation of any kind. Generally,
immunity may be waived only by express constitutional or
statutory declaration providing that the state shall be
subject to particular tax provisions or to its tax statu-
tes generally. [See 84 C.J.S., §§ 201-204, pp 386-390;
State ex rel. Fort v. City of Jackson, 172 Tenn. 119, 110
S.W.2d 323 (1937); Hanover Township v. Town of Morristown,
4 N.J. Super 22, 66 A.2d 187 (1949)]. The Constitution of
the State of Alaska contains no express waiver of immunity,
rather it contemplates that the state shall be immune from
taxation save when immunity is expressly waived by statute.

The relevant constitutional provision in the
instant case is Article IX, Section 4, which provides:

"The real and personal property
of the State or its political subdi-
visions shall be exempt from taxation
under conditions and exceptions which
may be provided by law. . . ."

On its face the provision is ambiguous and subject to con-
flicting interpretations. It may be construed to mean that

STATE OF ALASKA

WILLIAM A. EGAN, GOVERNOR

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL / BOX 2170 - JUNEAU

November 27, 1963

M E M O R A N D U M

TO: S. Robert Dozier, State Assessor
Local Affairs Agency
Juneau

FROM: Michael M. Holmes
Deputy Attorney General

Re: Function of the Board of Equalization Within an Organized Borough

You have asked whether a borough assembly sitting as a board of equalization for assessment purposes functions for all property within the borough or merely that property that lies outside cities. It is our opinion that the borough performs the assessment function, including the powers of a board of equalization, on an areawide basis.

A.S. 07.15.320(a) provides that the borough "shall assess and collect all property taxes within their boundaries..." This power is areawide and precludes the city council from performing assessment functions. To carry out the assessment power areawide the borough must have the power to be an areawide board of equalization. It is clear, therefore, that borough assembly is the board of equalization for all property within the borough.

The Legislature has seen fit to make an exception to the areawide power of the borough by providing in A.S. 07.15.340(b) that the city councils continue to function as boards of adjustment for zoning purposes. This exception has no bearing on the powers of a board of equalization.

GEORGE N. HAYES
ATTORNEY GENERAL

By
Michael M. Holmes
Deputy Attorney General

MMH:11

August 22, 1963

C
O
P
Y

Honorable W. O. Smith
3104 N. Tongass
Ketchikan, Alaska



RE: Interpretation of AS 43.75.130 and
Ch. 89, SLA 1963.

Dear Senator Smith:

You have requested an interpretation of AS 43.75.130 (Sec. 6, Ch. 135, SLA 1962) and Ch. 89, SLA 1963.

This office has interpreted AS 43.75.130. I am enclosing a copy of the opinion for your information.

Briefly state, our interpretation of Sec. 43.75.130 is that if the fish tax revenue has collected from businesses operating within a city, the entire amount of the ten percent fish tax refund shall be remitted to the city. If the businesses are located outside of a city, but within the boundaries of an independent school district, organized borough or public utility district, the refund shall be made to the borough, school or utility district.

It is our opinion that Ch. 89, SLA 1963 does not conflict with AS 43.75.130. Ch. 89, SLA 1963 provides an additional refund of ten percent of fish tax revenues to boroughs. If the businesses from which the fish tax revenues are derived are located within a city, the city is entitled to a refund of ten percent of the tax revenues under AS 43.75.130. The borough in which the city is located would be entitled to a refund of an additional 10 percent of the tax revenues collected within the city under the provisions of Ch. 89, SLA 1963. If the tax revenues were collected within the organized borough but outside the city the borough would be entitled to a refund of ten percent of the fish tax revenues under the provisions of AS 43.75.130 and an additional ten percent under the provisions of Ch. 89, SLA 1963, or a total of twenty percent of fish tax revenues.

I hope this answers your question. If I can be of further assistance in this matter, please call upon me.

Very truly yours,

GEORGE N. HAYES
ATTORNEY GENERAL

By

John K. Brubaker
Assistant Attorney General

JKB/jhb
Encl.

STATE OF ALASKA

WILLIAM A. EGAN, GOVERNOR

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL / BOX 2170 - JUNEAU

November 27, 1963

MEMORANDUM

TO: Ronald Cease, Director
Local Affairs Agency
Office of the Governor

FROM: Michael M. Holmes
Deputy Attorney General

Re: Power to exempt from property taxation

You have requested an opinion on whether first class cities and general law boroughs may create exemptions from real and personal property taxation. In our opinion no exemptions may be created other than those allowed by statute unless the city or borough has adopted a home rule charter.

Municipal corporations derive their powers from the legislature and can have no authority outside of that granted. The rule is that cities may not grant exemptions from taxation unless authorized by statute. 16 McQuillin on Municipal Corporations, §44.66. This rule was followed in Valentine v. City of Juneau, 36 F.2d 904 (9th Cir. 1929). The court stated as follows:

"It is well settled, of course, that the legislature of a state or territory may classify property for purposes of taxation and may exempt particular property from taxation, in the absence of some limitation contained in the constitution, or other organic law. But the authority of a municipal corporation to allow such exemptions, unless expressly conferred by law, has very generally been denied."

Thus it is apparent that particular property such as boats and vessels cannot be exempted from general property tax either by first class cities or general law boroughs which have the same taxing power as first class cities. If property is taxed then boats must be taxed by one of the two methods provided by AS 29.10.339. The prohibition against exemptions does not apply to home rule cities or boroughs. These have all legislative powers not prohibited by law or charter. Alaska Constitution, Article X, Section 11.

STATE OF ALASKA

WILLIAM A. EGAN, GOVERNOR

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL / BOX 2170 - JUNEAU

February 21, 1964

MEMORANDUM

TO: Ronald C. Cease
Director, Local Affairs Agency

FROM: George N. Hayes
Attorney General

RE: Borough Sales Tax

You have asked whether a borough has the authority to initiate a sales tax program. In our opinion all boroughs may initiate a sales tax subject to a referendum as provided for first class cities.

AS 07.15.010(7) gives a borough the power to levy all taxes in the manner provided for first class cities. This includes sales taxes. This power is limited by subsections (A) and (B) of the above sections in that an areawide tax must be for areawide functions.

There is no distinction in this matter between first and second class boroughs.


GEORGE N. HAYES
ATTORNEY GENERAL

GNH:eb

December 11, 1964

Robert D. Stevenson, Commissioner
Department of Revenue
Alaska Office Building
Juneau, Alaska

ATTENTION: Dale Williams, Deputy Commissioner

Re: Departmental Activities Dealing
with Local Property Taxation

Dear Mr. Stevenson:

You have asked whether the Department of Revenue in Fairbanks can collect the city's property tax on motor vehicles from their owners at the time of issuing motor vehicle registrations and licenses to these owners. In our opinion the Department of Revenue has no authority to make such collections.

Under the Alaska Municipal Code, AS 29.10.335, first-class cities are given the following authority:

"General property tax. The council may assess, levy, and collect a general tax for school and city purposes NOT to exceed three per cent of the assessed valuation upon all real and personal property, and enforce collection by recourse, levy, distress, and sale."

Under the Alaska Motor Vehicle Code, AS 28.10.070, it is provided that "At the time of applying for registration the applicant shall pay the license tax provided in this chapter." (Emphasis added) There is no provision of AS 28.10.070 that the Department may collect property taxes or anything other than license and related fees. The property tax has as its purpose the raising of municipal revenue; the motor vehicle levies are by nature privilege taxes imposed by the State. The two taxes have nothing whatever in common.

The grounds for refusing registration are listed in AS 28.10.100. None of these grounds is broad enough to permit the Department of Revenue to refuse registration because

MEMORANDUM

State of Alaska

15-6
1/13/69

TO: John R. Beard, Director
Local Affairs Agency

DATE: January 13, 1969

FROM: G. Kent Edwards
Attorney General

SUBJECT: Differential Tax Zones
in Home Rule Cities

By: William Edward Spear
Assistant Attorney General

This is in response to your memorandum of December 13, 1968 wherein you inquire as to the propriety of the City of Valdez, a home rule city, in setting up differential tax zones within its city limits.

In essence the facts of the matter appear as follows: Valdez is a home rule city; the townsite of Valdez was moved following the extensive damage suffered by the original "old Valdez" in the 1964 earthquake; though most of the townspeople have moved to the new site, a small group remains in the old Valdez site; because of the distances and other factors involved the new city is hard pressed to deliver to the citizens in the old sector the municipal services it extends to the residents of the new townsite; the citizens remaining in the old site feel that they should not have to pay in city taxes for that which is not received by them in the form of municipal services.

You have asked whether it would be possible for the city to set up differential tax zones within the city which would reflect the variance in the services rendered.

A home rule city in Alaska may by the Constitution of the State exercise all legislative powers not prohibited by law or charter. Chapter VII titled "taxation" of the Valdez City Charter does provide that no exemptions from taxation shall be allowed but does not appear to prohibit the differential tax zones under discussion here. The legislature has not expressly withdrawn the power to create these zones from home rule cities and therefore, providing the zones are set up so as not to violate the State or Federal Constitutions they are within the legislative powers provided in the Constitution of the State of Alaska.

Some states require in their constitutions that taxation be uniform in a given area. This type of provision was considered when Alaska's Constitution was drawn but was rejected.

March 10, 1965

*Partly
superseded
by Memo of
Jan. 13, 1969,
(as to home
rule cities).*

The Honorable Robert I. Ditman
Alaska State Representative
House of Representatives
State Capitol Building
Juneau, Alaska

Dear Representative Ditman:

You have asked whether the City of Valdez may lower the tax rate, or the assessed valuation, of property which receives no services from the city. The answer is no.

AS 29.10.375(c) states:

The Council by its general ordinance shall classify the different kinds of property for tax purposes and may grant exemptions as provided by law.

There is no provision in the law which allows a city to exempt property from the general tax or tax it at a lower rate merely because the property receives no services from the city. As the court stated in Valentine v. City of Juneau, 36 F.2d 904, 905 (1929):

It is well settled, of course, that the Legislature of a state or territory . . . may exempt particular property from taxation. . . . But the authority of a municipal corporation to allow such exemptions, unless expressly conferred by law, has very generally been denied.

A city may not exempt property from tax or tax it at a lower rate because it receives no services from the city.

May a city assess property at a lower rate because it receives no services from the city? The law is clear on the criterion to be used in assessing property:

Introduced: 3/6/64
Referred: Local Govern-
ment

1 IN THE HOUSE

BY MESSRS. BAGGEN,
RADER AND BINKLEY

2 HOUSE BILL NO. 405

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRD LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the power of the
7 borough assembly of an organized borough to
8 levy taxes."

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

10 * Section 1. AS 07.15.010(7) is amended to read:

11 (7) to levy all taxes and special assessments,
12 enforce tax liens, and assess and collect penalties in the
13 manner provided for first class cities. It may levy
14 (A) areawide taxes for areawide functions and
15 (B) taxes limited to the area outside cities
16 for functions limited to the area outside cities, except
17 that a sales tax, other than a sales tax levied solely
18 for the purpose of amortizing bonded indebtedness
19 already existing when this provision of law takes effect,
20 may not be levied under this subdivision but may be
21 levied only for areawide functions on an areawide basis,
22 the levy, if made, to be made both within cities and the
23 area outside cities;

24 * Sec. 2. AS 07.10.140(d) is amended to read:

25 (d) Each borough assembly shall determine the future
26 use of any sales tax levied by an independent school district.

Introduced: 1/30/65
Referred: Local Government,
State Affairs and Finance

1 IN THE HOUSE

BY MESSRS. JACKSON, LEFEVRE,
ORBECK, SHELDON AND TAYLOR

2

HOUSE BILL NO. 60

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act requiring referendum approval of
7 combined borough and city sales tax levies
8 exceeding three per cent of the sale price
9 of the matters taxed; and providing for an
10 effective date."

11

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

12

* Section 1. AS 07.15 is amended by adding a new section to
13 read:

14

Sec. 07.15.015. SALES TAX LIMIT AND REFERENDUM. (a)

15

The combined percentage of borough and city sales taxes
16 levied within a city may not exceed three per cent of the
17 sales price of the source taxed, unless a combined levy in
18 excess of three per cent is approved by referendum at a
19 regular or special election conducted by the borough. The
20 referendum shall include

21

22

(1) a vote in the borough upon ballots which
23 clearly present the proposition whether or not the designated
24 borough sales tax shall be levied in addition to a sales tax
levied by any city in the borough having power to levy the

26

(2) a vote in each city levying a sales tax upon

Introduced: 2/11/63
Referred: Local Govern-
ment and Finance

1 IN THE HOUSE

BY MR. SMITH

2 HOUSE BILL NO. 49

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRD LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the distribution of the
7 additional highway motor fuel tax levy."

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

9 * Section 1. AS 43.40.110 is repealed and re-enacted to read:

10 Sec. 43.40.110. ADDITIONAL TAX LEVY ON SALE OR OTHER
11 TRANSFER OF MOTOR FUEL. (a) There is levied a tax of three
12 cents a gallon on all motor fuel sold and delivered or trans-
13 ferred within the state.

14 (b) The Department of Revenue shall refund to each
15 local political subdivision which maintains its local roads
16 one-third of the revenue collected in the subdivision under
17 this section less the cost to the state of administering
18 this section in the local political subdivision.

19 (c) The state shall retain all revenue collected under
20 this section in areas not maintaining local roads, and it
21 shall be paid into the highway fuel tax account established
22 by sec. 10(g) of this chapter.

23 (d) The tax levied by this section does not apply to
24 fuel used (1) to operate aircraft, (2) to operate watercraft,
25 (3) from a foreign country on which duty is paid when the
26 fuel is sold and delivered in the state for nonhighway use

~~STATE AID TO LOCAL UNITS~~

League Recommendations to
Governor's Tax Task

Increase aviation fuel, electric
coop, fisheries, liquor
license taxes

Add as shared taxes alcohol beverage
excise, highway fuel tax,
license and other fees

November 21, 1968

Enact motor vehicle registration tax
in lieu of personal property
tax

MUNICIPAL LEAGUE

Shared Revenues

Allocate revenues from state and
federal lands sufficient for
\$40 per capita allowance for
capital expenditures or debt
service on bonds issued after
1968; \$20 annually per capita
for bonds after 1968 in borough
area outside cities

and for
Task Force

ly interested in the tax or revenue
state of Alaska through the consult-

OTHER SUGGESTIONS (not by League)

Grants-in-aid, similar to Foundation
program for schools, for other
local services, e.g. roads, police,
fire, hospital and public health

Dedication of specific revenues (not
taxes) to local purposes or ^{property} ~~taxes~~

Reimburse localities for state-required
exemptions

^{Authorize federal aid approval}
Authorize use taxes, income taxes

(Tax refunds to low-income persons)

Company. This statement will express

position on certain shared revenues

for the cooperation of the AML as

are now shared annually with local

the Alaska business license tax,

aviation fuel tax, electric and telephone co-operative tax, fisheries tax,

liquor license fees, amusement and gaming devices, National Forest receipts

and cigarette tax. The tax or license fees involved were established in most

cases prior to Statehood and should be increased to reflect the changes in the
economy since the date of original enactment.

There has been serious discussions and concern over the equity of the
Alaska business license tax because it is levied on gross receipts. The AML
has no objection to either changing the basis of this tax or repealing it
provided provision is made to share an equal or greater amount of State reve-
nues from this or another source with local governments. Otherwise, the AML
would be forced to oppose legislative changes that would reduce the amount of
shared revenue from this tax.

Pursuant to the action taken in the last joint meeting of the Senate and House Local Government Committees, A Revenue Sharing Subcommittee was appointed by the respective chairmen. The members of the committee were as follows: Guess, Chairman; Miller, Vice-chairman; Begich, Eliason and Pauken.

In considering shared revenues with local governments the committee was faced with two overall problems:

(1) The immediate financial situation of local government units, and

(2) The establishment of a pattern for sharing revenues with local governments when additional state funds become available.

The committee divided the proposed legislation between aid to education and other local government services.

EDUCATION

(1) \$50 ADM Increase

The committee proposes to raise Southeastern Alaska's ADM allotment to equal that of Southcentral. It also proposes to increase Central and Northwestern Alaska's allotment by an additional \$10 over the proposed \$50 increase to offset these areas' higher cost of living. The new figures are \$215 ADM for Southeastern and Southcentral Alaska; and \$235 ADM for Central and Northwestern Alaska.

(2) School Construction Funds

The committee recommends a \$50 grant based on ADM to each school district for new school construction or to retire existing bonded indebtedness.

(3) Aid to State-impacted School Districts

The committee recommends a program of state assistance to school districts which bear the impact of educating children whose parents work or live on state property. This legislation is patterned after a federal PL 874 program which absorbs some of the costs of educating students of parents who are federal employees. This program will do much to alleviate the financial problems many districts experience due to heavy state employment and large tax-exempt state facilities.

OTHER LOCAL GOVERNMENT SERVICES

Cities or boroughs with the appropriate powers may receive assistance under the following programs:

(1) Police Protection

The committee recommends that as much as possible be made available to local governments which perform the police protection services.

JOURNAL
SUPPLEMENT

HOUSE SUPPLEMENT NO. 7 (Addendum)

May 1, 1969

FREE CONFERENCE COMMITTEE REPORT

FREE CONFERENCE SUBSTITUTE FOR HOUSE BILL NO. 60

This report reflects the intent of the free conference in developing FREE CONFERENCE CS FOR SENATE CS FOR CS FOR HOUSE BILL NO. 60. Except for conflicts between this report and the House Finance Committee Report dated May 1, 1969, House Supplement No. 7, the House Committee Report reflects the intent of the Free Conference Committee. When the House Committee Report conflicts with this Free Conference Committee Report, the Free Conference Committee Report takes precedence.

OPERATING BUDGET

GENERAL GOVERNMENT

OFFICE OF THE GOVERNOR

Alaska State Museum. \$30,000 has been put into this budget for the Alaska Museum of Transportation at Anchorage.

Councils and Commissions. \$20,000 has been added to the Rural Affairs Commission to fund the land claims task force.

DEPARTMENT OF ADMINISTRATION

Funds appropriated to the municipal services account are to be distributed among eligible local governments and eligible fire protection groups in one sum as soon as reasonably practicable to compute the share of each eligible government or group, based on its standing to receive aid as of the beginning of the fiscal year of allocation. Population and other data for computation of each government's share shall be furnished to the department by the Local Affairs Agency and, in the case of aid based on road maintenance, by the Department of Highways. Information as to eligible fire groups outside cities or organized boroughs shall be furnished by the state fire marshal. If funds appropriated at the beginning of the fiscal year of allocation are insufficient to meet fully the allocations authorized, available funds shall be distributed on a pro rata basis among eligible governments. Additional appropriations made for the local aid program during the fiscal year shall be administered in the same manner as provided in the intent expressed in paragraph (1)(B) under the Department of Education in this report, with respect to basic need allocations to school districts, except that any additional share shall be paid in one sum. In addition, any excess of appropriations over authorized allocations reverts to the general fund.

DEPARTMENT OF LAW

\$22,600 has been added to this budget to fund an attorney for the Department of Fish and Game. \$19,400 has been added to

STATE OF ALASKA

WILLIAM A. EGAN, GOVERNOR

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL / BOX 2170 - JUNEAU 99801

1966 Opinions of the
Attorney General No. 10

July 28, 1966

Mr. Ronald C. Cease, Director
Local Affairs Agency
P. O. Box 710
Juneau, Alaska

Re: Liability of the State for
Special Assessments

Dear Mr. Cease:

You have asked whether State property is subject to special assessments levied by local subdivisions of the State for improvements which benefit such property. The answer is no.

Certain municipal corporations within the State have authority by virtue of statute to levy special assessments under certain circumstances. AS 29.10.246 and AS 29.10.300 grant such authority to municipal corporations of the first class:

Sec. 29.10.246. Assessments for improvements against property benefited. The council may assess against the real property specially benefited by the improvements two-thirds of the cost of laying out, grading, constructing or repairing a street, alley or sidewalk, constructing or repairing a sewer or drain, constructing or repairing water supply and distribution systems, acquiring and constructing parks or playgrounds or making changes in channels of streams or watercourses or constructing, erecting, strengthening or repairing bulkheads, embankments or dikes for streams or watercourses. The costs shall be assessed against the real property specially benefited in proportion to the benefits received by each

STATE OF ALASKA

WALTER J. HICKEL, GOVERNOR

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K, STATE CAPITOL — JUNEAU 99801

1969 Opinions of the
Attorney General No. 1

January 24, 1969

The Honorable Bill Ray
Alaska State Representative
Alaska State Legislature
108 6th Street
Juneau, Alaska 99801

Dear Mr. Ray:

You have requested an opinion as to whether a home rule city has the power to enact an ordinance exempting from local taxation any class of real or personal property, if such an exemption is not prohibited by the city's home rule charter. It is the opinion of this office that a home rule city has this power.

It must be noted that arbitrary or discriminatory exemptions of particular property or of particular classes of property could lead to questions involving the Federal Constitution's due process and equal protection clauses. For the purposes of this discussion, however, it is assumed that the exemptions would be neither arbitrary nor discriminatory.

Alaska Constitution, Art X, Sec. 11, is the source of home rule powers: "A home rule borough or city may exercise all legislative powers not prohibited by law or by charter." The early drafts of this section proposed by the Committee on Local Government at the Alaska Constitutional Convention specifically granted the power to tax to home rule cities:

"A municipal corporation which adopts a home rule charter may exercise all legislative powers, including but not limited to

STATE OF ALASKA

KEITH H. MILLER, GOVERNOR

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K, STATE CAPITOL — JUNEAU 99801

1969 Opinions of the
Attorney General No. 4

April 10, 1969

Mr. John R. Beard
Director
Local Affairs Agency
Pouch AB
Juneau, Alaska 99801

Re: Exemption from ad valorem taxes
of machinery, appliances and
equipment used in and around
a well producing oil or gas.
AS 43.55.010(b)(3)
Our File No. REV-32

Dear Mr. Beard:

Reference is made to your memorandum requesting
our opinion whether the following items are exempt from
ad valorem taxation under AS 43.55.010(b).

1. Pipelines used in the transmission of
natural gas or oil from offshore oil
and gas production platforms or rock
islands to facilities on shore.
2. Oil and gas handling facilities located
on shore, used in the processing of oil
and gas which have been transported to
shore from offshore platforms or rock
islands.

FACTS:

Shell Oil Company operates a well on a platform
in the middle ground shoal of the Cook Inlet near Nikiski.
Crude oil is produced on the platform and is pumped to
shore facilities through two parallel eight-inch pipelines
approximately 7.2 miles long lying on the floor of the
Cook Inlet.

STATE OF ALASKA

KEITH H. MILLER, GOVERNOR

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K, STATE CAPITOL — JUNEAU 99801

1969 Opinions of the
Attorney General No. 5

April 15, 1969

The Honorable Tom Fink
House of Representative
Alaska State Legislature
Juneau, Alaska 99801

Re: Constitutionality of requiring a portion
of the general fund to be allocated to
local governments each year in accordance
with a fixed formula.

Dear Representative Fink:

You have requested the opinion of this office as to the constitutionality of Committee Substitute for HB 350 and all similar bills.^{1/} CSHB 350 requires that yearly payments be made to local governments in accordance with various specified formulae. In response to your request, we have reviewed the question and have concluded that the proposed legislation results in earmarking the general fund for special purposes and may violate Article IX, Section 7 of the Alaska Constitution. Furthermore, the provisions contained in CSHB 350 and similar bills may violate Article IX, Section 8 of the Alaska Constitution.

I. ARTICLE IX, SECTION 7, ALASKA CONSTITUTION.

The history and purpose of Article IX, Section 7, Alaska Constitution were discussed in 3 Alaska Attorney General Opinions 1969. It was the conclusion of that opinion that the

^{1/} An example of similar legislation is CSSB 8, Sec. 18.31.190 which provides that a local government with an air pollution program meeting the requirements of the Act shall be eligible for state aid equal to 30, or in some cases, 50 per cent of the locally funded annual operating cost of the program.

Introduced: 3/4/65
Referred: Commerce

1 IN THE SENATE

BY SENATORS POLLOCK
AND PHILLIPS

2 SENATE BILL NO. 153

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the taxation of personal
7 property in transit."

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

9 * Section 1. AS 43 is amended by adding a new chapter to read:

10 CHAPTER 33. PERSONAL PROPERTY TAX.

11 ARTICLE 1. FREE PORT.

12 Sec. 43.33.010. EXEMPTION OF PERSONAL PROPERTY IN
13 TRANSIT. (a) Personal property in transit shall have no
14 situs in this state for purposes of taxation.

15 (b) Personal property in transit shall not be deprived
16 of exemption for taxation if, while in a warehouse, the
17 property is assembled, bound, joined, processed, disassembled,
18 divided, cut, broken in bulk, relabeled or repackaged, and if
19 the property is being held for resale to customers outside
20 the state.

21 Sec. 43.33.020. WAREHOUSE BOOKS AND RECORDS. (a)
22 Property claimed to have no situs under secs. 10 - 70 of
23 this chapter shall be designated as being in transit upon
24 the books and records of the warehouse in which it is lo-

26 (b) The books and records of the warehouse shall con-

1 IN THE SENATE

BY SENATOR PETER

2 SENATE BILL NO. 169

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to relocation payments for
7 displacement caused by federal-aid highway
8 projects; and providing for an effective
9 date."

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

11 * Section 1. AS 19.15 is amended by adding new sections to
12 read:

13 Sec. 19.15.050. AUTHORITY TO MAKE RELOCATION PAYMENTS.
14 The department shall, within the limits of available funds
15 and appropriations, make relocation payments to eligible
16 persons for moving expenses incurred by their displacement
17 from real property which is acquired for federal-aid highways
18 constructed within the state.

19 Sec. 19.15.060. MANNER OF MAKING RELOCATION PAYMENTS.
20 Relocation payments shall be made in accordance with secs.
21 50 - 80 of this chapter and under the rules and regulations
22 adopted by the department.

23 Sec. 19.15.070. AMOUNT OF RELOCATION PAYMENTS. (a)
24 The amount of a relocation payment made by the department to
25 ~~any person~~ shall not exceed the amount which the U. S.
26 Secretary of Commerce is authorized to approve under 23 USC

Introduced: 1/30/65
Referred: Local Government,
State Affairs and Finance

1 IN THE HOUSE

BY MESSRS. JACKSON, LEFEVRE,
ORBECK, SHELDON AND TAYLOR

2

HOUSE BILL NO. 60

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act requiring referendum approval of
7 combined borough and city sales tax levies
8 exceeding three per cent of the sale price
9 of the matters taxed; and providing for an
10 effective date."

11

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

12

* Section 1. AS 07.15 is amended by adding a new section to
13 read:

14

Sec. 07.15.015. SALES TAX LIMIT AND REFERENDUM. (a)

15

The combined percentage of borough and city sales taxes
16 levied within a city may not exceed three per cent of the
17 sales price of the source taxed, unless a combined levy in
18 excess of three per cent is approved by referendum at a
19 regular or special election conducted by the borough. The
20 referendum shall include

21

22

(1) a vote in the borough upon ballots which
22 clearly present the proposition whether or not the designated
23 borough sales tax shall be levied in addition to a sales tax
24 levied by any city in the borough having power to levy the

26

(2) a vote in each city levying a sales tax upon

Original sponsor: Senator Kilcher

Offered: 4/2/65
Referred: Rules

1 IN THE SENATE BY THE LOCAL GOVERNMENT COMMITTEE
2 CS FOR SENATE BILL NO. 90
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FOURTH LEGISLATURE - FIRST SESSION
5 A BILL

6 For an Act entitled: "An Act relating to classification of
7 property for purposes of local taxation;
8 authorizing separate rates of taxation for
9 each class; and providing for an effective
10 date."

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

12 * Section 1. AS 29.10.335 is amended to read:

13 Sec. 29.10.335. GENERAL PROPERTY TAX. (a) The council
14 may assess, levy, and collect a general tax for school and
15 city purposes not to exceed three per cent of the assessed
16 valuation upon all real and personal property [, AND ENFORCE
17 COLLECTION BY FORECLOSURE, LEVY, DISTRESS, AND SALE]. The
18 council may establish three classes of property for purposes
19 of taxation:

20 (1) land;

21 (2) buildings and fixtures permanently affixed to
22 land;

23 (3) personal property.

24 (b) The council may establish a separate rate of taxa-
25 tion for each class. Each class may be taxed at any rate
26 except that land may not be taxed at a rate that is less

1 IN THE HOUSE

BY MR. TILLION

2

HOUSE BILL NO. 186

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to boats and vessels for the
7 purpose of general taxation and local tax
8 efforts for the school foundation program;
9 and providing for an effective date."

10

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

11

* Section 1. AS 14.17.030(b) is amended to read:

12

(b) The required local tax effort for each district is

13

the amount of revenue raised from local sources which is

14

equivalent to the amount which would be raised from a 3.5-

15

mill levy on the full and true value of taxable real and

16

personal property within the district excluding boats and

17

vessels, the local tax effort for which is \$2 per ton on the

18

registered or certificated net tonnage of each boat or vessel

19

within the district. The amount of the required local tax

20

effort may be raised from any source available to the district

21

and does not have to be derived from property taxes.

22

* Sec. 2. AS 14.17.140 is amended to read:

23

Sec. 14.17.140. DETERMINATION OF FULL AND TRUE VALUE

24

BY LOCAL AFFAIRS AGENCY. The Local Affairs Agency, in con-

25

junction with the assessor for each district, shall determine

26

the full value of the taxable real and personal property,

Introduced: 2/9/65
Referred: Local Government

1 IN THE SENATE

BY SENATOR KILCHER

2 SENATE BILL NO. 90

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to classification of
7 property for purposes of local taxation and
8 authorizing separate rates of taxation for
9 each class; and providing for an effective
10 date."

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

12 * Section 1. AS 29.10.335 is amended to read:

13 Sec. 29.10.335. GENERAL PROPERTY TAX. The council may
14 assess, levy, and collect a general tax for school and city
15 purposes not to exceed three per cent of the assessed valu-
16 ation upon all real and personal property [, AND ENFORCE
17 COLLECTION BY FORECLOSURE, LEVY, DISTRESS, AND SALE]. The
18 council may establish three classes of property for purposes
19 of taxation: land, buildings and fixtures permanently
20 affixed to land, and personal property. The council may
21 establish a separate rate of taxation for each class. Each
22 class may be taxed at any rate, but the amount of taxes
23 collected for all classes may not exceed three per cent of
24 the assessed valuation upon all real and personal property.
25 All property within each class must be taxed at the same
26 rate. The council may enforce collection of taxes assessed

Introduced: 2/9/66
Referred: Commerce, Finance
and Local Government

ALASKA
STATE
LEGISLATURE

BY HILLSTRAND, BRADY, KENDALL,
LOTTSFELDT, METCALF, MOSES,
PLOTNICK, POLAND, TAYLOR AND
TILLION

1 IN THE HOUSE

2 HOUSE BILL NO. 395

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act authorizing cities and boroughs to
7 levy a tax upon gross receipts of a business
8 in the absence of a state tax upon such
9 receipts."

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

11 * Section 1. AS 29.10 is amended by adding a new section to
12 read:

13 Sec. 29.10.355. TAX UPON GROSS RECEIPTS OF BUSINESS.

14 In the absence of a state tax upon the gross receipts of a
15 business, the council may by ordinance levy and collect a tax
16 upon the gross receipts of a business engaged in within the
17 city and may by ordinance exempt particular kinds of gross
18 receipts from the tax levied.

19 * Sec. 2. AS 29.15 is amended by adding a new section to read:

20 Sec. 29.15.225. AUTHORITY TO LEVY AND COLLECT TAX UPON
21 GROSS RECEIPTS OF BUSINESS. In the absence of a state tax
22 upon the gross receipts of a business, the board of trustees
23 may by ordinance levy and collect a tax upon the gross receipts
24 of a business engaged in within the city and may by ordinance
25 exempt particular kinds of gross receipts from the tax levied.

Introduced: 3/7/66
Referred: Local Govern-
ment and Resources

1 IN THE HOUSE

BY THE RESOURCES
COMMITTEE BY REQUEST

2

HOUSE BILL NO. 495

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act authorizing cities and organized
7 boroughs to levy a severance tax on sales of
8 fish in lieu of local property taxes in
9 commercial fishing vessels and fishing gear."

10

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

11

* Section 1. AS 29.10 is amended by adding a new section to
12 read:

13

Sec. 29.10.340. SEVERANCE TAX ON SALES OF FISH. In
14 lieu of a property tax upon commercial fishing vessels and
15 commercial fishing gear, the council may by ordinance levy
16 and collect a severance tax on gross receipts from the sale
17 within the city by fishermen to fish processors of any or
18 all species of fish. The tax levied shall not exceed one-
19 half of one per cent of gross receipts. The tax shall be
20 collected by buyers at the time of sale and shall be collected
21 by the state in the manner and at the time state fisheries
22 taxes are collected. Collections by the state of the tax
23 authorized by this section shall be refunded in full to the
24 city levying the tax.

26

Sec 29 15 075 SEVERANCE TAX ON SALES OF FISH

Introduced: 2/15/64
Referred: Local Govern-
ment

1 IN THE HOUSE

BY MR. HOLM

2 HOUSE BILL NO. 322

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRD LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to prohibiting taxing
7 by municipalities of leases held from the
8 state or political subdivision of the
9 state; and providing for an effective date."

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

11 * Section 1. AS 29.05 is amended by adding a new section to
12 read:

13 Sec. 29.05.022. LIMITATION ON TAXING POWER OF HOME RULE
14 MUNICIPALITIES. No home rule city or borough may levy a
15 property tax upon a lease held from the state or another
16 political subdivision.

17 * Sec. 2. AS 29.10.336(b) is amended to read:

18 (b) Property owned by the city or the state, leases
19 held from the state or a political subdivision of the state,
20 the household furniture of the head of a family or a house-
21 holder, not exceeding \$200 in value, all property used ex-
22 clusively for religious, educational, charitable purposes,
23 the property of an organization, not organized for business
24 purposes, whose membership is composed entirely of the
25 veterans of a war of the United States, or the property of
26 the auxiliary of any such organization, and all money on

Original Sponsor: Local
Government Committee by Request

Offered: 2/19/64
Referred: Rules

ALASKA
STATE
LEGISLATURE

1 IN THE HOUSE BY THE SENATE JUDICIARY COMMITTEE

2 SENATE CS FOR HOUSE BILL NO. 135

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRD LEGISLATURE - SECOND SESSION

5 A BILL

6 For and Act entitled: "An Act relating to property subject to
7 local taxation."

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

9 * Section 1. AS 29.10 is amended by adding a new section to
10 read:

11 Sec. 29.10.335. GENERAL PROPERTY TAX. The council may
12 assess, levy, and collect a general tax for school and city
13 purposes not to exceed three per cent of the assessed valua-
14 tion upon all real and personal property, and enforce collection
15 by foreclosure, levy, distress, and sale.

16 * Sec. 2. AS 29.10.336 is repealed and re-enacted to read:

17 Sec. 29.10.336. LIMIT ON TAXING POWER. (a) Property
18 owned by the city or the state, the household furniture of
19 the head of a family or a householder, not exceeding \$200 in
20 value, all property used exclusively for nonprofit religious,
21 charitable, cemetery, hospital, or educational purposes, the
22 property of an organization, not organized for business pur-
23 poses, whose membership is composed entirely of the veterans
24 of a war of the United States, or the property of the auxiliary
25 of any such organization, and all money on deposit and account
26 from taxation.

1 IN THE SENATE BY SENATOR PHILLIPS

2 SENATE BILL NO. 170

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act permitting state property to be
7 taxed by political subdivisions for certain
8 purposes."

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

10 * Section 1. AS 29.10.335 is amended to read:

11 Sec. 29.10.335. GENERAL PROPERTY TAX. (a) The council
12 may assess, levy, and collect a general tax for school and
13 city purposes not to exceed three per cent of the assessed
14 valuation upon all real and personal property, and enforce
15 collection by foreclosure, levy, distress, and sale.

16 (b) The council may assess, levy and collect a general
17 tax for city purposes excluding school purposes not to exceed
18 three per cent of the assessed valuation upon the real and
19 personal property of the state. The immunity of the state
20 from local taxation is waived to the extent provided in this
21 subsection.

22 * Sec. 2. AS 29.10.336(a) is amended to read:

23 (a) Property owned by the city or the state, except
24 state-owned property to the extent it is taxable under sec.

26 of a family or a householder not exceeding \$200 in value,

Introduced: 1/26/67
Referred: Local Government
Finance

1 IN THE SENATE

BY ENGSTROM

2 SENATE BILL NO. 29

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act authorizing payments to political subdivisions
7 in lieu of taxes on state buildings situated within
8 those political subdivisions; and providing for an
9 effective date."

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

11 * Section 1. AS 44.21 is amended by adding a new section to read:

12 Sec. 44.21.060. PAYMENTS IN LIEU OF LOCAL TAXES ON STATE
13 BUILDINGS. (a) Within the limits of the annual legislative appropri-
14 ation which may be made for the purpose, the commissioner of adminis-
15 tration shall annually remit to the governing body of a political
16 subdivision a payment in lieu of local real property taxes on each
17 state building situated within the political subdivision. The sum re-
18 mitted shall be negotiated by the commissioner and the governing body
19 concerned on the basis of a fair and reasonable reimbursement for
20 services, improvements and facilities provided by the political sub-
21 division for the benefit of the state property. However, the sum
22 remitted may not exceed the amount of money which would ordinarily be
23 due for the tax year in effect at the time of negotiation if state
24 buildings within the political subdivision were subject to real
25 property taxes levied by the political subdivision. In addition, there
26 shall be deducted from the sum to be remitted (1) any amount which may
27 be remitted under other state law as payments in lieu of taxes on state
28 buildings for the same year and (2) any amount which the commissioner
29 finds necessary to deduct in order to make a proportionate allocation

Introduced: 2/27/67
Referred: Finance

1 IN THE SENATE

BY KOSLOSKY AND PALMER

2 SENATE BILL NO. 154

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act authorizing the payment of local special
7 assessments on state properties."

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

9 * Section 1. AS 44 is amended by adding a new chapter to read:

10 CHAPTER 77. REAL PROPERTY OF THE STATE.

11 ARTICLE 1. STATE PROPERTY WITHIN POLITICAL SUBDIVISIONS.

12 Sec. 44.77.010. PAYMENT OF LOCAL SPECIAL ASSESSMENTS. (a) The
13 state shall pay a local special assessment which may be levied by a
14 political subdivision of the state for a special benefit conferred upon
15 real property of the state. The state shall have all the rights and
16 privileges of any other owner of property within a particular special
17 assessment district. A political subdivision establishing a special
18 assessment district shall have the same rights against the state, and
19 its real property within the district, which the political subdivision
20 may have against any other owner within the district and his property.

21 (b) In (a) of this section "state" includes the State of Alaska
22 and public corporations or other instrumentalities of the state.
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Introduced: 1/25/67
Referred: Local Govern-
ment

1 IN THE HOUSE

BY SMITH BY REQUEST

2 HOUSE BILL NO. 48

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act providing for control of hazards and nui-
7 sances as an areawide power of organized boroughs."

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

9 * Section 1. AS 07.15 is amended by adding a new section to read:

10 Sec. 07.15.345. CONTROL OF HAZARDS AND NUISANCES. (a) The
11 assembly may provide by ordinance for (1) the condemnation and abate-
12 ment of fire or health hazards or public nuisances, and (2) the
13 removal or screening by topography, landscaping, or fencing of accu-
14 mulations of junk and debris, and, after a hearing on 30 days notice
15 to the owner or his agent, order or cause their removal or demolition,
16 or screening. The owner must be given 30 days after the hearing to
17 comply with the order before the borough may proceed. If the borough
18 removes the hazard or nuisance, or removes or screens the junk or debris
19 the cost is chargeable to the property, first against the salvaged
20 material, which may be sold at public auction, and the balance of the
21 cost, if any, against the land as in the case of taxes.

22 (b) If service of notice may not readily be had upon the owner
23 or agent, the notice to the owner or his agent required under (a) of
24 this section shall be sufficient if made upon the person in possession
25 or if a copy of the notice is mailed by certified mail to that person
26 listed upon the tax rolls of the borough as the person to whom the
27 property is to be taxed.

28 (c) The assembly may prohibit the abandonment or dumping of junk
29 and debris on public or private property.

Introduced: 2/6/68
Referred: Local Govern-
ment & Finance

1 IN THE SENATE

BY HAMMOND

2 SENATE BILL NO. 298

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the power of an organized borough
7 or a city which comprises a school district to levy
8 taxes; and providing for an effective date."

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

10 * Section 1. AS 29.30 is amended by adding new sections to read:

11 ARTICLE 4. WAGE TAX.

12 Sec. 29.30.130. WAGE TAX ORDINANCE AND REFERENDUM. (a) The
13 governing body of an organized borough or a city which comprises a
14 school district may by ordinance levy and collect a tax not exceeding
15 three per cent on all wages earned within the boundaries of the district
16 if the ordinance levying the tax is approved by a majority vote of the
17 qualified voters voting on the question in a general or special election
18 An ordinance authorizing a tax on wages may not be presented to the
19 voters more often than once every 12 months.

20 (b) The governing body may (1) prescribe procedures and require-
21 ments for collection of the tax authorized in (a) of this section,
22 (2) provide for penalties and interest for nonpayment of the tax when
23 due, and (3) provide that a tax, when levied, becomes a lien against
24 the property or rights in property belonging to the taxpayer.

25 Sec. 29.30.140. TAXPAYER'S RIGHT TO DEDUCTION FROM PROPERTY TAXES.
26 A taxpayer may deduct from the amount of any property taxes assessed
27 against him for a given fiscal year the amount of any wage tax which,
28 in the same municipality, is levied on his wages for the preceding
29 fiscal year and has been collected. Proof of a taxpayer's right to a

Introduced: 4/2/69
Referred: Resources and
Finance

1 IN THE SENATE

BY BLODGETT

2 SPONSOR SUBSTITUTE FOR SENATE BILL NO. 200

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act providing for a tax on the harvesting of
7 forest products."

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

9 * Section 1. AS 43 is amended by adding a new chapter to read:

10 CHAPTER 77. FOREST PRODUCTS TAX.

11 Sec. 43.77.010. LEVY OF FOREST PRODUCTS TAX. (a) For the
12 harvesting of forest products, there is levied upon every person owning
13 harvested forest products a tax of 30 cents per 1,000 feet, board
14 measure, on all merchantable forest products harvested in the state.

15 (b) In computing the tax, the first 25,000 feet, board measure,
16 of forest products harvested annually by a person during each fiscal
17 year shall be excluded from the total quantity of harvested forest
18 products.

19 Sec. 43.77.020. METHOD OF MEASURING BOARD FEET. To measure the
20 total quantity of forest products subject to the tax, a log scale which
21 is or may be in general use in the logging industry and which is
22 designed to measure total volume of merchantable forest products in
23 board feet shall be used. If the department finds that the scale used
24 by a person in computing the tax due under this chapter does not
25 accurately reflect the total quantity of merchantable forest products
26 harvested by him, it may require the person to adopt another log scale
27 in general use in the industry which in the department's opinion will
28 accurately reflect his merchantable harvest in board feet. In the case
29 of salvage operations, where the log scale used does not reflect the

1 IN THE HOUSE BY THE RULES COMMITTEE BY REQUEST
OF THE LEGISLATIVE COUNCIL

2 HOUSE BILL NO. 13

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act providing for a uniform method of
7 delinquent real property tax and special
8 assessment foreclosure by general law and
9 home rule boroughs and cities; and providing
10 for an effective date."

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

12 * Section 1. AS 7 is amended by adding a new chapter to read:

13 CHAPTER 17. COLLECTION OF DELINQUENT REAL PROPERTY TAXES

14 ARTICLE 1. COLLECTION ENFORCEMENT.

15 Sec. 07.17.010. ENFORCEMENT BY BOROUGH. (a) On as-
16 sumption of the areawide power of tax assessment and collec-
17 tion, the first or second class borough shall enforce collec-
18 tion of all delinquent tax liens accruing to the borough and
19 to each city in the borough, including liens accruing but not
20 enforced before the time the borough assumes the power as well
21 as liens accruing thereafter.

22 (b) A city in the borough may not enforce collection of
23 delinquent tax liens after the borough assumes the areawide
24 power of tax assessment and collection.

25 Sec. 07.17.020. MANDATORY ENFORCEMENT DUTY. (a) The
borough tax collector has a mandatory duty to collect