RESOLUTION #2021-21

Requesting that the Legislature review and make optional exemptions that are more appropriately decided at the local level.

WHEREAS, increasingly, local governments are expected to fulfill State responsibilities that the State can no longer afford; and

WHEREAS, in order to meet these obligations, local governments must have the tools at their disposal necessary to deliver essential services and ensure that the corresponding tax burden does not fall disproportionally on the rest of the tax base; and

WHEREAS, the State's exemptions of certain types of property affect the ability of local governments to deliver essential services; and

WHEREAS, mandatory exemptions result in a more limited tax base, and the tax rate more heavily burdening only certain portions of a city or borough's residents; and

WHEREAS, in particular, an exemption of household furniture and personal effects (29.45.030(a)(2)) is better determined at the local level; and

WHEREAS, in particular, the undeveloped value of natural resources in place is reserved to taxation by the State, even as the impact and benefit may be managed also at the local level, and local control of taxation may increase the viability of a project; and

WHEREAS, in particular, the exemption (29.45.030(a)) of AIDEA land and the Alaska Railroad (42.40.910) – two public corporations that maintain a business model similar to that of any private corporation – are inconsistent with a public purpose; and

WHEREAS, broad age-based exemptions do not take into account the need or lack thereof of those residents, which runs counter to best practices, and in the development of mandatory age- based exemptions the State committed to reimbursement and has not since 1985, now valued at more than $90 million.

NOW, THEREFORE BE IT RESOLVED that AML requests that the Governor and Legislature review all mandatory exemptions affecting local governments and if found to be beneficial pass legislation that makes optional, needs-based, and/or locally determined those accounted for above.