

January 21, 2020

Good evening, Mayor and Assembly Members,

My name is Kandi Woodworth. I reside at 848 S. Mitkof Hwy and I speak for myself. I would like to speak on Item 17 A. in as much as the State Assessor has indicated my information on the property tax issues of Fredrick Point East and Article 14 will be considered in the development of the audit.

Municipal property tax ordinances should maintain conformity to state statutes. Looking at the Alaska State Statutes Section 29.45.010 on Municipal Property Taxes, it states "a borough may levy

- 1) an AREAWIDE property tax for areawide functions (functions are equal to services);
- 2) a NON-AREAWIDE property tax for functions limited to the area outside cities;
- 3) a property tax IN A SERVICE AREA for functions limited to the service area."

What a "Service Area" is defined as is found under Sec 29.35.450.

"A service area to provide SPECIAL SERVICES in a borough... may be established...by ordinance. SPECIAL SERVICES INCLUDE SERVICES NOT PROVIDED BY A BOROUGH ON AN AREAWIDE OR NON-AREAWIDE BASIS or a higher or different level of services than that provided on an areawide or non-areawide basis."

"The assembly may levy or authorize the levying of taxes...in a service area to finance the SPECIAL SERVICES..." (29.35.470 a)

So, to recap, there are three property tax designations: the Areawide – that is understood for Petersburg to be - education at 4.33 mills; the Service Areas – set up for special services that the borough DOES NOT provide; and the non-areawide – for the services that the borough DOES provide. Recalling that those services do not include the enterprise fund activities which I spoke at length on January 6<sup>th</sup>.

Comparing the Borough Charter we find that,

1. The term "Service area" is inclusive of all services including enterprise fund activities provided by the Borough within the former City of Peterburg city limits. (14.02)
2. Borough services are required to be provided ONLY through so called service areas. (14.02)
3. Therefore, the non-areawide designation, for all intents and purposes, is non-existent.
4. The original intent of the state statute defining service areas is found to be changed by deletion of the words "special" and "non-areawide basis" in the borough's definition. (14.03)
5. The indebtedness of the so called service area has been made to fall into the category of general obligation for past voter approved bonds and the present collection of a general tax for municipal purposes. (4.24.020, 12.03)

In closing, so the areawide, non-areawide and service areas have been defined for us in Section 29 of the state statutes. The same section continues and emphatically states, "If a tax is levied on real property...the tax MUST be assessed, levied and collected as provided in this chapter" – so then it seems that there is really only one word that the state assessor needs to define for Petersburg - that one word is "MUST." (29.45.010)

Thank you for your attention.