I. Call to Order
The meeting was called to order at 5:00 p.m. by Mary Becker, Chair.

II. Roll Call
Committee Members Present: Mary Becker; Jesse Kiehl; Kate Troll; and Jerry Nankervis

Other Assembly members Present: Merrill Sanford; Loren Jones; Karen Crane

Staff Present: Finance Director Bob Bartholomew, City Manager Kim Kiefer, Deputy City Manager Rob Steedle, City Assessor Robin Potter, Assistant City Attorney Chris Orman, Print Shop Operator Glen Fairchild

III. Approval of Minutes – August 28th, 2014 Minutes approved, with exception that Jesse Kiehl wished for the discussion pertaining to use tax and automobiles to be noted.

IV. Inventory of Property Tax Exemptions
Bob Bartholomew began by introducing Robin Potter, CBJ assessor, who would be contributing to the evening’s discussion. He then proceeded to review page 5 of the packet and gave a breakdown of exemptions in 3 columns. Total assessed value were first to be reviewed with 3026 properties that claimed exemptions. Mr. Bartholomew also informed the Assembly that many State mandated exempt properties are not annually reviewed by CBJ.

Mr. Bartholomew explained more on the charts and talked in detail about PILT properties and how this program has not been adjusted in many years. Finance would add this to their to-do-list.

The question was raised whether or not Federal Government Funded Low Income housing could be entered into a PILT agreement rather than LIHTC tax credit. This will have to be looked into further. Currently CBJ collects $140,000 a year from PILT properties.

A discussion then followed about hospitals and what qualifies as a hospital and or medical properties. Mr. Bartholomew presented a list of 21 properties that claimed medical property exemptions. Some of these properties should possibly be under non-profit exemptions however and that would have to be looked into further with the Law Department. Ms. Potter explained the 4 categories under non-profit exemptions. Mr. Bartholomew then reviewed Real Property Optional exemptions and the community purpose exemption; giving examples of what properties qualified. Low Income Housing (LIHTC) and tax credits associated with those properties were discussed. Finance will be working with the law department to determine if the
Assembly has options for allowing exemptions for these properties. Low income housing credits is a large and growing exemption and that needs better understanding.

A rough estimate was given by Mr. Bartholomew on Business Personal Properties and stated that 2,500 businesses filed for these exemptions within CBJ, and about $3 million was collected mostly from two large property owners.

The Assembly questioned how many other municipalities in Southeast Alaska offered the $100k exemption cap that CBJ does. Ms. Potter was not aware of any others in SE Alaska. Ms. Potter noted that many municipalities in the US are doing away with their personal property tax. Some Cities do however tax boats which CBJ does not. Personal use boats, planes and cars are all exempt from personal property taxation in CBJ.

Mr. Nankervis asked how a person from a home office is taxed and Mr. Bartholomew explained to the Assembly they must take an inventory of their business personal property and report it. Ms. Potter and Mayor Sanford then explained why the $100k exemption came into effect.

Mr. Bartholomew explained exemption #23 in the packet regarding the tiered exemptions for Export Manufacturing. Over time a property gets taxed, but for the first five years, property receives a declining exemption on qualifying. Alaska Brewery, Alaska Glacier Seafoods, and Taku Smokeries are 3 businesses who claim this exemption.

V. Property Tax Exemption Definitions.
Mr. Bartholomew presented 5 pages of tax exemption definitions, which are a work in progress. Mr. Bartholomew pointed out 5-6 items that were of particular interest. He pointed out one exemption that was not being applied correctly, export manufacturing, and that Finance needed to look closer at how much new property was added in 2013 and report to the Assembly.

Jesse Kiehl asked what depreciation schedule CBJ uses and Ms. Potter explained the tables that are used.

Mr. Bartholomew stated there was not yet an agenda for the following week’s meeting. Loren Jones requested additional information in regards to PILT. Mr. Bartholomew said he would follow-up on this.

Mr. Bartholomew discussed federal housing programs exemptions and 42 PILT qualified properties.
Ms. Troll was curious what else CBJ does not tax that other SE Alaska communities do tax. Ms. Potter said she would reach out to other communities and do some additional research.

A discussion followed about potential agenda items for next week’s meeting including a speaker who wished to increase tobacco taxation. Committee members asked for Mr. Bartholomew’s thoughts on what else they needed to know about exemptions before public testimony begins. Mr. Bartholomew gave a quick summery to the Assembly about past meetings and discussions. Mr. Bartholomew is also putting together a short-list of exemptions this committee still has under consideration. This information was also requested by the Juneau Chamber of Commerce.

It was suggested CBJ considered bringing in a couple economists for needs-based exemption education before public testimony is taken.

A discussion on when the TERC committee should hold public testimony then took place. The committee will consider starting public testimony on Sept. 26 and again on Oct. 23 & 30. This will be further discussed at the Sept. 11 meeting.

VI. Next Meeting Date – September 11th, 2014

VII. Adjournment – The meeting was adjourned at 6:20 p.m.