SENIOR SALES TAX EXEMPTION
TASK FORCE

REPORT TO ASSEMBLY
OF THE
CITY AND BOROUGH OF JUNEAU

APRIL 25, 2006

ATTACHMENT A:
CBJ Senior Exemption Task Force
Mission Statement
CBJ SENIOR EXEMPTION TASK FORCE

CBJ Senior Exemption Task Force created.

There is created within the City and Borough of Juneau a Senior Exemption Task Force to be composed initially of at least five, but no more than seven, members appointed by the Mayor to serve for six months, unless extended by the Mayor.

Background.

During 2005, the Assembly Finance Committee formed a Tax Policy Subcommittee. That subcommittee recommended several changes to the exemptions, one of which called for modification of the sales tax exemption for senior citizens so that it would be eliminated after January 1, 2016. Many of the subcommittee’s recommendations were acted upon in late November 2005. However, because of its complexity and controversy, the assembly chose to defer immediate action on the senior exemption, agreeing to study it further, but bar any change that would take effect in 2006. This task force is the vehicle for further study.

Purpose.

The purpose of the task force is as follows:

- Decide on Agreed Facts. The task force, with the assistance of CBJ staff, will gather relevant factual information, including present impacts and future projections for the existing senior sales tax exemption.

- Develop Set of Available Options. Although some members of the task force may prefer maintaining the status quo with respect to the senior sales tax exemption, the task force is charged with developing alternatives that involve the eventual elimination of the current exemption. These options may include any of the following, alone or in combination, and may also include other options developed by the task force:
  
  o A rebate system based on age or need, similar to the hardship property tax exemption;
  o A new exemption for food items; or
  o A phase out of the existing program over time.
• *Research Potential Impacts of Options.* Once the task force agrees on options for consideration, it will develop a factual background on the financial and social impacts of each option. Experiences from other municipalities in Alaska or elsewhere in the US may prove helpful in developing this analysis.

• *Hold Public Hearings.* The task force will then solicit input from interested citizens on each identified option, through one or more public hearings and other means.

• *Prepare Report.* At the conclusion of the public hearing process and no later than April 30, 2006, the task force will prepare and submit to the Assembly for their consideration a report on its findings.

**Meetings, Officers, Records, Quorum, and Staff Support.**

The task force shall hold regular meetings at least once a month. All meetings shall be open to the public and advertised through the Municipal Clerk’s office.

The Mayor shall appoint the chair and vice-chair.

The task force shall follow the procedures used by the Assembly and other CBJ boards and commissions for transaction of its business, as interpreted by the City Attorney as necessary. The task force shall keep a record of its meetings, resolutions, transactions, findings, determinations, and written public comments received, which shall be filed with the Municipal Clerk and be open to public inspection at reasonable times.

A majority of the appointed membership of the task force shall constitute a quorum for the transaction of business.

The City Manager will provide staff support and assistance to the commission as appropriate.