

NANA Advocates Passage of NW Arctic Borough

On May 20, 1986, residents of the NANA region will have an important opportunity to vote on the creation of the Northwest Arctic Borough. If the borough is approved, local people will enjoy several benefits and opportunities that are not available now. If the borough is not approved, the Red Dog detachment will NOT take effect and Red Dog and nearby state lands will remain under taxing and planning control of the North Slope Borough. Without Red Dog to tax, it would not be possible to support a borough.

NANA President Willie Hensley said, "NANA strongly urges everyone to vote YES for borough formation. It would be tragic if the Northwest Arctic Borough is not approved, since the Red Dog detachment we all worked so hard for would be returned to the North Slope Borough. If local government control is returned to the North Slope Borough, they will enjoy the future tax benefits and planning and permitting for Red Dog, and not the NANA region."

Protection for Village Governments

Some people have asked how the borough formation may affect second class cities and their powers. The borough formation will not automatically affect the powers and responsibilities currently held by second class cities. Under state law, borough governments are responsible for conducting planning and permitting, collecting taxes, and funding education. Second class cities are responsible for public works, and public safety, such as police and fire. These powers and responsibilities belong to the villages and may only be changed if after creation of the borough, the residents of the villages vote to transfer the responsibility or the power to do certain things they now do, to the new borough.

Commitment to Home Rule Borough

In the Northwest Arctic Borough's first year, there has been a commitment by regional

leadership to hold a vote on creating a Charter Commission to go to a Home Rule Borough. A Home Rule Borough can be created if voters approve a charter, or set of rules that spells out what the borough may do. The charter will be written by an elected *Charter Commission*, composed of 11 members. Eight of the members elected are determined on a population basis and three are at-large within the region. The advantage of writing a charter would be to allow the people and governments within the region to clarify what powers will be exercised. The charter could also place limits on proposed borough taxes. After the proposed charter is written, it must be presented before the people to be approved in an election.

Limit on Taxes

Concern has been expressed over how the taxes will be structured, and whether people can afford them. It should first be mentioned that there will be many property owners who will not

have to pay taxes. Those who own Native allotments will not have to pay property taxes on the allotments. Nor will churches have to pay property taxes. There will be no property taxes on HUD houses until the debt is paid. Elders, or those over 65 will not have to pay any property taxes since it is paid for by the state. For all other properties, the tax rate is proposed to be three mills, which is one of the lowest property tax rates in Alaska. If a Home Rule Borough is created, the charter can provide that for the property tax rate to be increased beyond a certain mill rate, the change will have to go before the voters for approval.

Tax Revenues From Red Dog

In addition to property taxes, the borough may tax the value of Red Dog mining production with a severance tax. The State Attorney General has ruled that the borough assembly — and not the State Legislature — can determine whether this tax should be created. If a severance tax is

created, all production at the Red Dog mine will be taxed. Since production at Red Dog will not begin until the 1990s, an agreement between Cominco and the borough can be made for prepayment of taxes before that time. These prepayments would be credited against future taxes.

Benefits of Borough Formation

With the creation of the Northwest Arctic Borough will come several benefits that residents do not currently enjoy. These benefits are numerous, and include the creation of new jobs in the region, and better environmental controls on development throughout the region by implementing the planning and permitting process. The borough will also help all villages by advocating regional interests like subsistence in Juneau. And, pursuant to Public Law 874, additional educational funds will be made available to the region from the state. Finally, tax funds from Red Dog development will stay in the NANA region and won't go to the North Slope Borough.