

SLOPE BOROUGH TIF GOES ON

Borough Work Goes on While Waiting Decision By Judge Eben Lewis

By JOYCE ZIMMERSCHIED

With the decision still pending from Superior Court Judge Eben Lewis, work continues on the proposed North Slope Borough. Borough Mayor Eben Hopson was in Fairbanks last week and answered some questions about the controversy.

Suit has been filed against borough by the oil companies, who claim that they will be stuck with the bulk of taxes. Company officials also question the legality of a borough formation there.

To these charges, Hopson said, "Under the Land Claims Act, there are 12 regions throughout the state, and ours is the Arctic Slope Regional Corporation. They (the Natives) are entitled to select something over five million acres of land, and the whole acreage is not necessarily around the villages, so there will be some lands under their own selection process that will be selected for

possible mineral-rich lands.

"This may be for recreation or what have you, but, and the reason I brought this thing up is that the oil companies argue that they will be the only taxpayers and they feel they will be paying more than their share.

"I said I don't think that's a fair statement to make. Whatever the millage rate is, it is going to apply to the oil companies on Prudhoe Bay as well as property owners in all of villages."

Villages included in the widespread borough lands include Barrow, Wainwright, Point Hope, Anaktuvuk Pass and Barter Is-

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land. Taxes, Hopson explained, are based on assessed valuations for the area in question.

These valuations are arrived at by valuing property within corporation borders, choosing a total figure and coming up with operating needs. Money is budgeted out to get an adequate millage rate for taxes.

"So what we've come up with is based on an estimated \$500 million assessed valuation for the North Slope. Our budget would call for 3.3 mills, and that 3.3 will apply, like I said, to all property owners. It gets oil companies' properties as well as individual properties, rental properties that are up on the North Slope.

"Whenever we are declared organized, we will (levy taxes)," Hopson said. "We're due up in the tax rolls right now, because as far as the election in June is concerned, and our certification of the election of the first of July, tells us that we are a legal municipal corporation until somebody proves us otherwise. That's what this court case is all about."

Incorporating a borough starts with writing a petition and presenting the findings of the Local Affairs Agency. The findings are put together by the Agency, which turns them over to the Local Boundary Commission.

The commission, he said, has "the responsibility to determine whether to accept or reject a petition to incorporate, so all this has already taken place, and as far as we are concerned, we are satisfied that all the criteria under the law has been met by the North Slope Borough."

Discussion over possibly creating a borough in that region first arose in March of 1969, but was set aside while the Land Claims bill was being settled. The needs of the whole state, Hopson said, had to come first.

He also called self-determination the reason behind the whole thing.

"We want to be able to control our own education system for a high school up on the North Slope so that we don't have to send our kids 1500 and 2000 miles away from home just to get them a high school education," he noted.

Educational benefits are only one set of advantages to be gained by creating a borough. Others have to do with health services, planning and zoning, and taxation and collection of taxes. To exercise any other municipal authority, Hopson said, such powers must be transferred from the city to the borough.

"There are some other benefits and other things that the borough will be able to do. We have one hospital in Borrow. That's the only hospital up on the North Slope. I think dental services within each village can be had once we get out additional authority on health.

"That's one of the responsibilities if we succeed in getting that authority. I think there's all kinds of ways the borough can attempt to provide those services.

"The suit . . . has hampered our implementation of the borough. One of the big problems we got into, basically on account of the suit itself, was to finance our own municipal operation. It gets a little difficult when you try to sell bonds to finance a municipal corporation when you have a suit hanging over your head. The bankers hesitate.

"You recall," Hopson continued, "during the last couple of weeks, I guess, we have finally advertised and are attempting to sell our bonds to the public. Directly to the public rather than going to banks and borrowing the money. We have borrowed to finance the

very limited operation that we are doing now.

"We were very fortunate that the state agreed to purchase \$100,000 of our bonds just a couple of weeks ago. There have been two other banks which have purchased smaller amounts of notes from the bills. We'll take any purchaser. We're really putting out a real effort to sell them to the public. We have advertised."

On the outcome of the case itself, Hopson said he has tried to avoid saying too much about it because it is still unsettled. He said that he expects a decision before much more time passes.