



# NANA REGIONAL CORPORATION, INC.

## Newsletter

Amble, Buckland, Candle, Deering, Kiana, Kivalina, Kobuk, Kotzebue, Noatak, Noorvik, Selawik, Shungnak.

## 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.

## 13th Annual Meeting brought many to Noatak

A large crowd of about 500 shareholders gathered in the Noatak school gym on March 17 to participate in NANA's 1986 Annual Meeting. After the usual fun-filled morning of races and games, NANA Board Chairman Robert Newlin opened the meeting with a brief introduction and Grace Bailey gave the invocation. Guests in attendance were introduced by Chairman Newlin. Hank Giegerich, Cominco Alaska President, announced that the state and Cominco had agreed to the financing of the Red Dog road and port and that construction would begin on the project this summer with the permanent barge dock and the staging area at the port site. He announced that this was the first major step in moving the Red Dog project to development.

The next guest was Laurie Herman, representing Governor Sheffield's office. Ms. Herman reminded the group of the governor's continued support of the Red Dog project, establishment of a borough, and of his commitment to seeing that subsistence

legislation was passed which was favorable to those who depended on it most.

Other guests in attendance introduced by the Chair were: Bill McKay and Lou Cancelmi of Alaska Airlines; Janie Leask, President of Alaska Federation of Natives; Oliver Leavitt, Arctic Slope Regional Corporation; Jeff Smith, Deputy Commissioner of Regional Affairs; and Mike Irwin, Special Assistant to the President of Doyon, Inc. Special thanks was given to a number of people for their service to the people of the region. Special recognition was given to John Schaeffer, NANA's outgoing President; Marie Greene, President of Maniilaq; Chuck Greene, Governor's office in Kotzebue; Sandy Burgess, Noatak School Principal, for her cooperation in helping to host the meeting; and to the people of Noatak for their hospitality for the Annual Meeting.

Billy Mills, the 1984 Gold Medal Olympian in the 10,000

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Janie Leask, President of AFN presents an Eskimo wooden mask to outgoing NANA President John W. Schaeffer in appreciation for his years of effort in serving all Alaskan Natives. photo: Allen Marquette