



## Viewpoints

### Lead by Example

By Agnes Moran

February 03, 2011  
Thursday PM

Governor Parnell has been emphasizing three recurring themes in his recent speeches; pushing back on unfunded federal mandates, broken promises made at statehood and keeping taxes low to encourage economic growth. I agree with the governor that broken promises and unfunded mandates lead to higher taxes and have a dampening effect on the economy. I have seen first hand the damaging effect these have had on our local economy.

When the state forced areas to organize into boroughs in 1963, they promised there would be no penalties or loss of services in these areas. Sadly the state has failed to keep this promise. For example, citizens in organized boroughs and city school districts are forced to pay an areawide property tax for their local contribution to schools. Additionally, they are required to pay up to 35% of capital costs for school construction projects. Citizens in other unorganized areas (60% of the state) are not required to pay this tax and their contribution for school construction projects is a flat 2%.

If the Ketchikan Gateway Borough had not been subject to these mandates it would be better positioned to fund local projects. We would retain local control of our tax dollars and be less susceptible to the personal peccadilloes of our local representative. For example, we could have paid for the Whitman Lake hydroelectric power project the governor vetoed last year (roughly \$16 million) or funded many of the projects on the priority list our local officials will be lobbying for in Juneau.

Governor Parnell makes a strong case for keeping taxes low to encourage economic growth. Currently the areawide mill rate is 5.8 with 75% of the proceeds dedicated to pay the state mandated local contribution to schools. In Fiscal years 1982-1984 when the state did a much better job of keeping its 1963 promise to impose no penalties the areawide mill rate was only 1 mill.

While I applaud Governor Parnell's efforts to tackle unfunded federal mandates and broken promises, I wish he would lead by example and resolve these issues at the state level first.

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Received February 03, 2011 - Published February 03, 2011

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