

KENAI PENINSULA BOROUGH

Kenai Peninsula Borough Assembly

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Dale Bagley, Assembly President
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MEMORANDUM

TO: Dale Bagley, Assembly President
Kenai Peninsula Borough Assembly Members

FROM: Brent Johnson, Assembly Member (BJ) for B. J.

DATE: June 4, 2015

RE: Ordinance 2015-18, An Ordinance Amending the South Kenai Peninsula Hospital Service Area Boundaries to Include Certain Geographical Areas in and Around Seldovia in the Service Area (Johnson)

The South Kenai Peninsula Hospital Service Area ("SKPHSA") was created in 1969. At that time Seldovia had its own hospital. In fact, Seldovia's hospital opened in 1940 and for the next 16 years served the people of Homer.

Long before 1997, when Susan Springer published her book,¹ Seldovia hospital yielded to the larger and better equipped hospital that was built at Homer in 1955.

Tutka Bay, Jakolof Bay, Kasitsna Bay, McDonald Spit, Seldovia and communities to the southwest received an exception when the service area was created. Long ago, when the Seldovia hospital closed, the exception became unjustified. To be clear, it is difficult for people to live in roadless communities with few economic opportunities and any increase in taxes will only make that reality worse. I suspect this is why the exception has existed for decades after the Seldovia hospital closed. At the same time, any perusal of property owner addresses reveals a high percentage of non-resident ownership. There seems to be many recreation lots in these communities.

Removing the exception and including them in the SKPHSA probably illustrates why one service area for both borough-owned hospitals makes sense. Until then, I don't think it's fair to tax some communities who receive a service, but not tax other communities who receive the same service.

The Alaska Constitution, Article 9, Section 2 states: "The lands and other property belonging to citizens of the United States residing without the State shall never be taxed at a higher rate than the lands and other property belonging to the residents of the State." It seems to be in the spirit of the Constitution to tax citizens equally, even when they reside in different areas of the United States. How much more, therefore, should they be taxed equally when they reside along the same bay in the same borough.

Your consideration is appreciated.

¹Susan Woodward Springer, Seldovia, Alaska, An Historical Portrait of Life in Herring Bay, Sequoia Publishing 1997.