

**Municipal Advisory Group Resolution 2006-03:
Issues related to affects of a stranded gas act contract on education funding**

A Resolution Requesting Changes to the Alaska statutes to protect local education funding from adverse effects of provisions of any proposed Stranded Gas Act contract.

Whereas the Stranded Gas Act Municipal Advisory Group (MAG) has consistently maintained a series of positions that require the State of Alaska hold harmless local municipalities from adverse financial impacts resulting from the provisions of any Stranded Gas Act contract proposed;

Whereas the Stranded Gas Act contract currently under consideration between the State of Alaska and ConocoPhillips, Exxon and BP Exploration would exempt AS43.56 properties from inclusion in the full and true property valuation determination for all involved municipalities with a general property tax that is used for calculating annual education funding for local school districts;

Whereas if AS43.56 property values are excluded from the annual full and true value determinations for local education funding, significant losses of revenue amounting to millions of dollars could be incurred by local school districts impacted by those properties being excluded;

Be it therefore resolved:

1. The Stranded Gas Act Municipal Advisory Group strongly objects to the exclusion of AS43.56 properties from the annual full and true value determination used in calculating annual education funding in municipalities that have a general property tax.
2. The Stranded Gas Act Municipal Advisory Group requests that the State of Alaska develop and implement statutory changes that protect local education funding from any adverse financial effects resulting from the provisions of any Stranded Gas Act contract.