

# Fiscal Note

State of Alaska  
2013 Legislative Session

Bill Version: **CSHB 40(CRA)**  
Fiscal Note Number: **1**  
(H) Publish Date: **2/1/13**

Identifier: HB040-DCCED-DCRA-01-25-13  
Title: MUNICIPAL TAX EXEMPTION: FARM USE LAND  
Sponsor: HUGHES  
Requester: House Community and Regional Affairs

Department: Department of Commerce, Community and  
Economic Development  
Appropriation: Community and Regional Affairs  
Allocation: Community and Regional Affairs  
OMB Component Number: 2879

## Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below.

(Thousands of Dollars)

	FY2014 Appropriation Requested	Included in Governor's FY2014 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2014	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## Fund Source (Operating Only)

None							
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## Positions

Full-time							
Part-time							
Temporary							

<b>Change in Revenues</b>							
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Estimated SUPPLEMENTAL (FY2013) cost: 0.0

Estimated CAPITAL (FY2014) cost: 0.0

## ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No  
If yes, by what date are the regulations to be adopted, amended or repealed?

## Why this fiscal note differs from previous version:

Not applicable, initial version.

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Date: 01/25/2013 10:04 AM  
Date: 01/25/13

## FISCAL NOTE ANALYSIS #1

STATE OF ALASKA  
2013 LEGISLATIVE SESSION

BILL NO. CSHB 40(CRA)

### Analysis

This bill would amend existing statutes regarding permissive municipal tax exemptions. It would give municipalities the authority to partially or totally exempt certain farm structures owned or leased by an individual who is actively engaged in farming and who derives at least 10 percent of their gross yearly income from farming activity. Municipalities would need to adopt an ordinance that enacts the exemption and application procedures awarding exemptions.

Existing statutes require the state to reimburse a borough or city for the real property tax revenues lost to it by the implementation of tax exemptions. If passed, this additional exemption would also be reimbursable by the state. However, statutes provide that if appropriations are not sufficient to fully fund reimbursements, the amount available shall be distributed pro-rate among eligible municipalities. In the past, the state has not fully funded reimbursement for existing municipal tax exemptions.

There is no anticipated fiscal impact to the Division of Community and Regional Affairs from this bill.