

**SENATE BILL NO. 219**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-EIGHTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE BY REQUEST

Introduced: 4/8/14

Referred: Community and Regional Affairs, Finance

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to the limitation on the value of property taxable by a municipality;  
2 and providing for an effective date."

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 \* **Section 1.** AS 29.45.080(c) is amended to read:

5 (c) A municipality may levy and collect a tax on the full and true value of that  
6 portion of taxable property taxable under AS 43.56 as assessed by the Department of  
7 Revenue which value, when combined with the value of property otherwise taxable by  
8 the municipality, does not exceed the product of **the percentage determined in (f) of**  
9 **this section** [225 PERCENT] of the average per capita assessed full and true value of  
10 property in the state multiplied by the number of residents of the taxing municipality.

11 \* **Sec. 2.** AS 29.45.080 is amended by adding a new subsection to read:

12 (f) The percentage in (c) of this section is based on the total tax rate  
13 established by the municipality and levied each year under AS 43.56.010(b) and is as  
14 follows:

1	If the tax rate determined under AS 43.56.010(b) is:	The percentage is:
2	Not more than 18.0 mills	375 percent
3	More than 18.0 mills but not more than 19.0 mills	300 percent
4	More than 19.0 mills	225 percent

5 \* **Sec. 3.** AS 29.45.090(b) is amended to read:

6 (b) A municipality, or combination of municipalities occupying the same  
7 geographical area, in whole or in part, may not levy taxes

8 (1) that will result in tax revenues from all sources exceeding \$1,500 a  
9 year for each person residing within the municipal boundaries; or

10 (2) on [UPON] value that, when combined with the value of property  
11 otherwise taxable by the municipality, exceeds the product of **the percentage**  
12 **determined in (e) of this section** [225 PERCENT] of the average per capita assessed  
13 full and true value of property in the state multiplied by the number of residents of the  
14 taxing municipality.

15 \* **Sec. 4.** AS 29.45.090(c) is amended to read:

16 (c) The commissioner shall apportion the lawful levy and equitably divide the  
17 tax revenues on the basis of need, services performed, and other considerations in the  
18 public interest if two or more municipalities occupying the same geographical area, in  
19 whole or in part, attempt to levy a tax

20 (1) the combined levy of which would result in tax revenues from all  
21 sources exceeding \$1,500 a year for each person residing within the municipal  
22 boundaries; or

23 (2) on [UPON] value that, when combined with the value of property  
24 otherwise taxable by the municipality, exceeds the product of **the percentage**  
25 **determined in (e) of this section** [225 PERCENT] of the average per capita assessed  
26 full and true value of property in the state multiplied by the number of residents of the  
27 taxing municipality.

28 \* **Sec. 5.** AS 29.45.090 is amended by adding a new subsection to read:

29 (e) The percentage in (b) and (c) of this section is based on the total tax rate  
30 established by the municipality and levied each year under AS 43.56.010(b) and is as  
31 follows:

1	If the tax rate determined under AS 43.56.010(b) is:	The percentage is:
2	Not more than 18.0 mills	375 percent
3	More than 18.0 mills but not more than 19.0 mills	300 percent
4	More than 19.0 mills	225 percent

5 \* **Sec. 6.** AS 43.56.010(c) is amended to read:

6 (c) If the total value of assessed property of a municipality taxing under  
7 AS 29.45.080(c) exceeds the product of **the percentage, as determined in**  
8 **AS 29.45.080(f)**, [225 PERCENT] of the average per capita assessed full and true  
9 value of property in the state, to be determined by the department and reported to each  
10 municipality by January 15 of each year, multiplied by the number of residents of the  
11 taxing municipality, the department shall designate the portion of the tax base against  
12 which the local tax may be applied.

13 \* **Sec. 7.** The uncodified law of the State of Alaska is amended by adding a new section to  
14 read:

15 APPLICABILITY. Sections 1 - 6 of this Act apply to tax years beginning after  
16 December 31, 2014.

17 \* **Sec. 8.** This Act takes effect July 1, 2014.