

LEGAL SERVICES

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MEMORANDUM

April 9, 2014

SUBJECT: Sectional summary for CSHB 379(FIN)
(Work Order No. 28-LS1633\U)

TO: Representative Benjamin Nageak
Attn: Maridon Boarjo


FROM: Donald M. Bullock
Legislative Counsel

You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

Section 1. Amends AS 29.45.080(c) by deleting the fixed 225 percent factor in the formula used to determine the maximum value of property taxable under AS 43.56 that may be taxed by a municipality. Provides that a percentage determined under new subsection (f) in sec. 2 of the bill will be used in the formula.

Section 2. Amends AS 29.45.080(d) to set the dates by which a municipality is required to notify the Department of Revenue of the method of taxation the municipality will use, the total value of the municipality's locally assessed property tax base, and the amount of principal and interest the municipality intends to apply in its mill rate calculation.

Section 3. Adds new subsection (f) to AS 29.45.080 to provide the percentage to be used in AS 29.45.080(c) based on the total tax rate established by the municipality.

Section 4. Amends AS 29.45.090(b) by deleting the fixed 225 percent factor in the formula used to determine the maximum value of property taxable by a municipality or combination of municipalities occupying the same geographical area, in whole or in part. Provides that a percentage determined under AS 29.45.090(e) in sec. 5 of the bill will be used in the formula.

Section 5. Amends AS 29.45.090(c) by deleting the fixed 225 percent factor in the formula used to determine the maximum value of property that may be taxed if two or more municipalities occupy the same geographical area, in whole or in part, and attempt to levy a property tax. Provides that the percentage determined under AS 29.45.090(e) in sec. 5 of the bill will be used in the formula.

Representative Benjamin Nageak

April 9, 2014

Page 2

Section 6. Adds new subsection (e) to AS 29.45.090 to provide the percentage to be used in AS 29.45.090(b) and (c) based on the total tax rate established by a municipality.

Section 7. Amends AS 43.56.010(c) by deleting the 225 percent factor and replacing the percentage factor with the percentage determined in AS 29.45.080(f) in sec. 2 of the bill.

Section 8. Adds a new section in uncodified law that makes secs. 1 - 7 apply to tax years beginning after December 31, 2014.

Section 9. Provides an immediate effective date.

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