

LEGAL SERVICES

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MEMORANDUM

March 13, 2013

SUBJECT: Question about applicability of SB 73
(Work Order No. 28-LS0631\A)

TO: Senator Kevin Meyer
Attn: Edra Morledge

FROM: Alpheus Bullard *TEAB*
Legislative Counsel

Edra asked whether the municipal property tax exemption authorized by SB 73 is already permitted under AS 29.45.050(s). While both exemptions relate to real property and to widows and widowers, the exemption available under AS 29.45.050(s) is different than the exemption that would be available under SB 73.

SB 73 expands an existing optional exemption under AS 29.45.030(e) on the first \$150,000 of real property owned and occupied as the primary residence and permanent place of abode that is available to "a resident who is at least 60 years of age and the widow or widower of a person who was killed while in the military service of the United States." A municipality is also authorized, in case of hardship, to provide for exemption beyond the first \$150,000 of assessed value. This exemption requires approval by a municipality's voters at an election.

AS 29.45.050(s) provides that a municipality may by ordinance partially or wholly exempt the real property owned and occupied as a permanent place of abode by "a resident who is the widow or widower of a member of the armed forces of the United States injured serving on active duty while eligible for hostile fire or imminent danger pay who dies because of the injury or complications related to the injury or its treatment." An exemption under this section does not need to be approved by municipal voters at an election.

The exemption proposed under SB 73 would apply to a widow or widower of a person who was killed while in the military service of the United States. The exemption under AS 29.45.050(s) applies only to a person who is a widow or widower of a member of the armed forces of the United States "*injured serving on active duty while eligible for hostile fire or imminent danger pay who dies because of the injury or complications related to the injury or its treatment.*" In this respect, the exemption available under AS 29.45.050(s) is narrower than that available under SB 73.

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The exemption proposed under SB 73 is available only to a widow or widower who is at least 60 years old. The exemption under AS 29.45.050(s) does not require the widow or widower to have reached a certain age. In this respect, the exemption proposed under SB 73 is more limited than that available under AS 29.45.050(s).

Accordingly, depending on the widow's or widower's age and the circumstances of the death of the widow's or widower's spouse, the widow or widower of a member of the armed forces of the United States could qualify for the exemption proposed under SB 73 or the exemption under AS 29.45.050(s) or both.

The amount of the exemption available under SB 73 could also be different than that made available under AS 29.45.050(s).

If you have further questions, please do not hesitate to contact me.

TLAB:ljw

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