

Ken Truitt

From: Edra Morledge
Sent: Friday, April 05, 2013 4:08 PM
To: Ken Truitt; Sharon Long; Rynnieva Moss; Darwin Peterson; Michelle Sydeman
Subject: SB 73 - State Affairs Committee
Attachments: SB 73 AG Answers.pdf; SB 73 CS 28-LS0631C.pdf

Hello,

Last week the Senate State Affairs committee heard SB 73, relating to property tax exemptions for the surviving spouse of military service members. Committee members had several questions that they requested the bill sponsor address through the Department of Law. Attached is the memo from the department which addresses each of the questions asked. Also attached is a committee substitute which I believe addresses those questions. Would you please (or the appropriate staff member), see if these changes address the issues brought forth by your bosses? If there are additional questions/concerns, I would be happy to come down and chat.

In short, our CS resolves the issues listed below:

1. Does the legislation remove local control in providing this property tax exemption?

No. As confirmed by the department, page 1 lines 10-11, this legislation provides that "A municipality may by ordinance approved by the voters..."

2. Does this legislation include National Guard members?

Yes. While we believe it included National Guard members in the previous CS, we have specifically added them to the language so there is no question.

3. Does this legislation include Coast Guard members?

Yes. The department confirmed that Coast Guard members are considered part of the U.S. military, and part of the armed forces.

4. How is the term "active duty" interpreted in Alaska?

We have removed the term "active duty" from our legislation as a qualifier, and replaced it with "a person who dies from a service-connected caused sustained while

serving as a member of the United States armed forces or as a member of the National Guard,” thus removing the questionable term.

5. **Would this legislation allow the spouse of service members who are killed in a recreational, off-duty-related, or suicide-related death, to be eligible for this exemption?**

No. We believe the change in language as listed in number 4 above, removes the question of whether or not those types of deaths would be eligible.

6. **Would there need to be a “threshold” or “proportionality” between an illness or injury as it relates to a deceased service member’s service and their illness or injury in order to qualify their spouse for this exemption?**

Because we removed the words “injury or illness,” and replaced it with the language “service-connected cause sustained while serving as a member of the United States armed forces...”, we believe this clarifies that any illness or injury that causes the death would need to be directly related to their service. In addition, the department states in their memo that “any dispute about whether an individual should receive an exemption would be between the department and the municipality.”

7. **Would the bill sponsor consider adding the language from the last sentence of AS 29.45.050(s): “The ordinance must include requirements for determining eligibility for the exemption and a procedure for applying for the exemption.”**

We have added the following language to the bill: “A municipality shall determine the eligibility requirements and application procedure for an optional exemption under this subsection.” Because the Municipality of Anchorage has already passed their ordinance to allow this exemption and it did not include a “procedure for applying,” there is some question as to whether or not the ordinance on the MOA books would be implementable under the language in AS 29.45.050(s), or if the ordinance could be modified since it was already voter-approved as is.

Please let me know as soon as you can if there are any comments, questions or concerns on this bill. Thank you!

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