

Fiscal Note

State of Alaska
2016 Legislative Session

Bill Version: HB 338
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB338-DCCED-DCRA-03-18-16
Title: MUNI. PROPERTY TAX EXEMPTIONS
Sponsor: SEATON
Requester: (H) 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)

	FY2017 Appropriation Requested	Included in Governor's FY2017 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2017	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues							
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Estimated SUPPLEMENTAL (FY2016) cost: 0.0 (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2017) cost: 0.0 (separate capital appropriation required)
(discuss reasons and fund source(s) in analysis section)

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If yes, by what date are the regulations to be adopted, amended or repealed?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: 03/18/2016 09:30 AM
Date: 03/18/16

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2016 LEGISLATIVE SESSION

BILL NO. HB 338

Analysis

HB 338 would redefine the Senior Citizens Property Tax Exemption as an optional exemption rather than its current mandatory exemption status. This change would mean that the full amount that is exempted under the senior citizen exemption would be added back to the tax rolls of local municipalities for purposes of the Full Value Determination (FVD) and the subsequent Required Local Contribution (RLC) for schools. Since the exemption is currently a mandatory exemption, these values are not considered in the FVD. The RLC paid by local communities is based upon 2.65 mills (\$2.65 per \$1,000 of value) of their FVD amount. Since the RLC for local communities would increase as a result of this change, payments by the State of Alaska would decrease by an equal amount.

The following calculations are based upon information available from and used by the Office of the State Assessor in producing the 2015 Alaska Taxable publication.

2015 Senior Citizen Value Exempted: \$4,252,254,725
2015 Statewide Value Adjustment for Market : 92.25%
2015 Estimate of Full Value: \$4,609,489,729
2015 Estimate of RLC @ 2.65 Mills: \$12,215,148

If HB 338 is adopted, the financial obligation of the State of Alaska to fund local school districts would decrease by approximately \$12,000,000 per year.