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Shutts  
3/23/16

**CS FOR HOUSE BILL NO. 338( )**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**TWENTY-NINTH LEGISLATURE - SECOND SESSION**

**BY**

**Offered:  
Referred:**

**Sponsor(s): REPRESENTATIVE SEATON**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to the determination of full and true value of taxable property in a**  
2 **municipality; relating to the municipal property tax exemption on the residence of a**  
3 **senior, a disabled veteran, and a widow or widower of a senior or disabled veteran; and**  
4 **providing for an effective date."**

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

6 **\* Section 1.** AS 14.17.510(a) is amended to read:

7 (a) To determine the amount of required local contribution under  
8 AS 14.17.410(b)(2) and to aid the department and the legislature in planning, the  
9 Department of Commerce, Community, and Economic Development, in consultation  
10 with the assessor for each district in a city or borough, shall determine the full and true  
11 value of the taxable real and personal property in each district in a city or borough. If  
12 there is no local assessor or current local assessment for a city or borough school  
13 district, then the Department of Commerce, Community, and Economic Development  
14 shall make the determination of full and true value guided by AS 29.45.110 and based

on a determination of full and true value made by the state assessor at least every two years using the best information available, including on-site inspections made by the state assessor in each of those districts at least once every four years. **The first \$150,000 in the assessed value of property for which a municipality may provide an exemption under AS 29.45.050(y) may not be included in the determination regardless of whether the municipality exempts the property.** For purposes of this subsection, the full and true value of taxable real and personal property in any area detached shall be excluded from the determination of the full and true value of the municipality from which the property was detached for the two years immediately preceding the effective date of the detachment. Also, in making the determination for a municipality that is a school district, or for a city that is within a borough school district, the assessed value of property taxable under AS 43.56 shall be excluded if a tax is not levied under AS 29.45.080 by the municipality that is the school district. The determination of full and true value shall be made by October 1 and sent by certified mail, return receipt requested, on or before that date to the president of the school board in each city or borough school district. Duplicate copies shall be sent to the commissioner. The governing body of a city or borough that is a school district may obtain judicial review of the determination. The superior court may modify the determination of the Department of Commerce, Community, and Economic Development only upon a finding of abuse of discretion or upon a finding that there is no substantial evidence to support the determination.

\* **Sec. 2.** AS 29.45.030(e) is amended to read:

(e) The real property owned and occupied as the primary residence and permanent place of abode by a resident who is (1) [65 YEARS OF AGE OR OLDER; (2)] a disabled veteran; or **(2)** [(3)] at least 60 years of age and the widow or widower of a person who qualified for an exemption under (1) [OR (2)] of this subsection is exempt from taxation on the first \$150,000 of the assessed value of the real property. A municipality may by ordinance [APPROVED BY THE VOTERS] grant the exemption under this subsection to the widow or widower under 60 years of age of a person who qualified for an exemption under **(1)** [(2)] of this subsection or to a resident who is the widow or widower of a person who dies from a service-connected

1 cause sustained while serving as a member of the United States armed forces or as a  
2 member of the National Guard. A municipality may, in case of hardship, provide for  
3 exemption beyond the first \$150,000 of assessed value in accordance with regulations  
4 of the department. Only one exemption may be granted for the same property, and, if  
5 two or more persons are eligible for an exemption for the same property, the parties  
6 shall decide between or among themselves who is to receive the benefit of the  
7 exemption. Real property may not be exempted under this subsection if the assessor  
8 determines, after notice and hearing to the parties, that the property was conveyed to  
9 the applicant primarily for the purpose of obtaining the exemption. The determination  
10 of the assessor may be appealed under AS 44.62.560 - 44.62.570. A municipality shall  
11 determine the eligibility requirements and application procedure for an optional  
12 exemption provided under this subsection. In this subsection, "widow or widower"  
13 means a person whose spouse has died and who has not remarried.

14 \* **Sec. 3.** AS 29.45.050(i) is amended to read:

15 (i) A municipality may by ordinance [APPROVED BY THE VOTERS]  
16 exempt from taxation the assessed value that exceeds \$150,000 of real property owned  
17 and occupied as a permanent place of abode by a resident who is

18 (1) [65 YEARS OF AGE OR OLDER;

19 (2)] a disabled veteran, including a person who was disabled in the line  
20 of duty while serving in the Alaska Territorial Guard; or

21 (2) [(3)] at least 60 years old and a widow or widower of a person who  
22 qualified for an exemption under (1) or (2) of this subsection.

23 \* **Sec. 4.** AS 29.45.050 is amended by adding new subsections to read:

24 (y) A municipality may by ordinance exempt from taxation all or part of the  
25 assessed value of real property owned and occupied as a permanent place of abode by  
26 a resident who is

27 (1) 65 years of age or older; or

28 (2) 60 years of age or older and a widow or widower of a person who  
29 qualified for an exemption under (1) of this subsection.

30 (z) A municipality may base an exemption under (y) of this section on the  
31 hardship or need of a resident as determined by the municipality.

1     \* **Sec. 5.** The uncoded law of the State of Alaska is amended by adding a new section to  
2 read:

3           TRANSITION: SENIOR PROPERTY TAX EXEMPTION. Notwithstanding the  
4 amendment of AS 29.45.030(e) by sec. 2 of this Act, the real property of a resident who  
5 qualifies for a tax exemption under AS 29.45.030(e) remains exempt from taxation under  
6 AS 29.45.030(e), as that section read on the day before the effective date of this Act, until the  
7 municipality in which the property is located enacts an ordinance that removes the exemption.

8     \* **Sec. 6.** This Act takes effect January 1, 2017.