

CS FOR HOUSE BILL NO. 291(CRA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FOURTH LEGISLATURE - SECOND SESSION

BY THE HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Offered:
Referred:

Sponsor(s): REPRESENTATIVES COULOMBE, G. Nelson, Bynum

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to municipal initiatives and referendums and municipal taxation;**
2 **relating to municipal exemptions from fees for landfills or dumping areas; and relating**
3 **to optional municipal property tax exemptions."**

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

5 * **Section 1.** AS 29.10.200 is amended by adding a new paragraph to read:
6 (68) AS 29.26.100(2) (tax ordinances adopted by initiative or repealed
7 by referendum).

8 * **Sec. 2.** AS 29.26.100 is amended to read:
9 **Sec. 29.26.100. Reservation of powers.** The powers of initiative and
10 referendum are reserved to the residents of municipalities, except the powers do not
11 extend to

12 (1) matters restricted by art. XI, sec. 7 of the Constitution of the State
13 of Alaska;

14 (2) ordinances classifying, excluding, exempting, or partially

exempting property from taxation under AS 29.45.050(a) or 29.45.055(a).

* **Sec. 3.** AS 29.35.050(d) is amended to read:

(d) A municipality that owns or operates a landfill or dumping area for the disposal of waste material may, by ordinance, partially or totally exempt from a fee for the use of the landfill or dumping area the disposal of waste material generated from the substantial rehabilitation, renovation, demolition, removal, or replacement of a structure on deteriorated property. The exemption may apply to some or all types of deteriorated property, as provided in the ordinance. An ordinance adopted under this subsection must include specific eligibility requirements and require a written application for the fee exemption. In this subsection, "deteriorated property" **means real property that is**

(1) residential property located in a deteriorating or deteriorated area with boundaries that have been determined by the municipality, if the property is owned by an entity that owns at least two residential properties and eight or more residential units among those properties in that deteriorating or deteriorated area; or

(2) commercial property not used for residential purposes or that is multi-unit residential property with at least eight residential units, and that meets one of the following requirements:

(A) within the last five years, has been the subject of an order by a government agency requiring environmental remediation of the property or requiring the property to be vacated, condemned, or demolished by reason of noncompliance with laws, ordinances, or regulations;

(B) has a structure on the property that is not less than 15 years old and that has not undergone substantial rehabilitation, renovation, demolition, removal, or replacement, subject to any conditions prescribed in the ordinance; or

(C) is located in a deteriorating or deteriorated area with boundaries that have been determined by the municipality [HAS THE MEANING GIVEN IN AS 29.45.050].

1 * **Sec. 4.** AS 29.45.050(a) is amended to read:

2 (a) A municipality may **classify and** exclude or exempt or partially exempt
3 residential property from taxation by ordinance [RATIFIED BY THE VOTERS AT
4 AN ELECTION]. An exclusion or exemption authorized by this subsection may be
5 applied with respect to taxes levied in a service area to fund the special services. [AN
6 EXCLUSION OR EXEMPTION AUTHORIZED BY THIS SUBSECTION MAY
7 NOT EXCEED THE ASSESSED VALUE OF \$75,000 FOR ANY ONE
8 RESIDENCE EXCEPT THAT A MUNICIPALITY MAY, BY ORDINANCE,
9 ANNUALLY ADJUST THE MUNICIPALITY'S VOTER-AUTHORIZED
10 EXEMPTION BY THE AMOUNT CALCULATED BY THE STATE ASSESSOR
11 TO REFLECT THE INCREASE, IF ANY, IN THE ANNUAL AVERAGE COST OF
12 LIVING, USING THE UNITED STATES DEPARTMENT OF LABOR
13 CONSUMER PRICE INDEX FOR URBAN ALASKA.]

14 * **Sec. 5.** AS 29.45.050(i) is amended to read:

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

18 (1) 65 years of age or older; **or**

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 (3) AT LEAST 60 YEARS OLD AND A WIDOW OR WIDOWER
22 OF A PERSON WHO QUALIFIED FOR AN EXEMPTION UNDER (1) OR (2) OF
23 THIS SUBSECTION].

24 * **Sec. 6.** AS 29.45.055(a) is amended to read:

25 (a) A municipality may by ordinance **classify as to type and totally exempt**
26 **some or all types of personal property from ad valorem taxes and** levy a flat tax
27 on **the exempted** personal property [THAT HAS BEEN TOTALLY EXEMPTED
28 FROM AD VALOREM TAXES UNDER AS 29.45.050(b)]. A municipality that
29 levies a flat tax may classify the property as to type based on any characteristic and tax
30 each item of property of the same type at a specific amount. A flat tax may be levied
31 on all or on only some types of personal property. The flat tax ordinance must include

1 a procedure under which the taxpayer may appeal the determination of ownership or
 2 classification of property subject to the tax. The municipality may establish procedures
 3 necessary to collect the tax.

4 * **Sec. 7.** AS 29.45.050(b), 29.45.050(c), 29.45.050(d), 29.45.050(e), 29.45.050(f),
 5 29.45.050(g), 29.45.050(h), 29.45.050(j), 29.45.050(k), 29.45.050(l), 29.45.050(m),
 6 29.45.050(n), 29.45.050(o), 29.45.050(p), 29.45.050(q), 29.45.050(r), 29.45.050(s),
 7 29.45.050(t), 29.45.050(u), 29.45.050(v), 29.45.050(w), 29.45.050(x), 29.45.050(y), and
 8 29.45.050(z) are repealed.

9 * **Sec. 8.** The uncodified law of the State of Alaska is amended by adding a new section to
 10 read:

11 **APPLICABILITY.** This Act applies to an ordinance adopted by a municipality under
 12 AS 29.35.050(d), AS 29.45.050, or 29.45.055, as amended by secs. 1 - 6 of this Act, on or
 13 after the effective date of this Act.