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Memorandum

TO: Representative Berta Gardner
FROM: Tim Spengler, Legislative Analyst
DATE: February 7, 2012
RE: Property Tax Exemptions for Religious Educator Housing
LRS Report 12.180

You asked about property tax exemptions for church-owned residences occupied by religious educators. Specifically, you wanted to know how many such exemptions occur across the state and the dollar value of the exemptions. Additionally, you wanted to know if any municipalities or school districts in Alaska provide their own tax exemptions for teacher housing.

As you are aware, in 2006 a law was enacted in Alaska in which the definition of property tax exemptions was broadened to include church-owned property occupied by religious educators. This provision is codified at AS 29.45.030 (b)(1).

Alaska State Assessor, Steve Van Sant, informs us that five church-owned dwellings in Anchorage and five in Kenai are exempted from property tax under this provision.¹ The properties in Anchorage are all owned by the Anchorage Baptist Temple, which oversees the Anchorage Christian Schools. This entity offers pre-kindergarten through high school programs. The exempted properties in Kenai are owned by Alaska Christian College, which is a part of the Evangelical Covenant Church of Alaska. The residences in Anchorage and Kenai are the only church-owned properties in the state to receive this particular exemption.²

Mr. Van Sant was unable to provide the dollar value of the exemptions because these dwellings have not been assessed for a number of years. If we assume that each residence could be assessed at \$200,000, the dollar value for the Anchorage Baptist Temple exemptions—for church-owned dwellings occupied by religious educators—would be around \$15,000 a year, and the Alaska Christian College exemptions would amount to about \$9,000 a year. The reason for the differing amounts is that the mill rate is higher in Anchorage than that in Kenai.

No municipalities or school districts in Alaska provide their own tax-exempt housing to educators, according to Mr. Van Sant.

We hope this is helpful. If you have questions or need additional information, please let us know.

¹ Steve Van Sant can be reached at (907) 269-4605.

² Steve Van Sant was unable (given our time constraints) to ascertain whether a few remote communities have church-owned residences occupied by religious educators. He noted, however, that he would be extremely surprised if these communities have such properties.