

Fiscal Note

State of Alaska
2017 Legislative Session

Bill Version:	CSSB 106(CRA)
Fiscal Note Number:	1
(S) Publish Date:	4/12/2017

Identifier: SB106-DCCED-DCRA-04-07-17
Title: MUNI TAX EXEMPTION: ECON DEVEL
PROPERTY
Sponsor: COGHILL
Requester: (S) 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)

	FY2018 Appropriation Requested	Included in Governor's FY2018 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2018	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
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

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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

Estimated CAPITAL (FY2018) 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If yes, by what date are the regulations to be adopted, amended or repealed?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: 04/07/17

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2017 LEGISLATIVE SESSION

Analysis

AS 29.45.050(m) provides local communities the ability to offer a full or partial optional property tax exemption or tax deferral to economic development property for up to five (5) years. SB 106 removes the 5-year limitation and allows local communities to specify their own "designated period" which could exceed five years.

Current law also allows local communities to renew a property tax exemption/deferral beyond five years with the exception that taxes for education cannot be a part of such a renewal. SB 106 would remove this requirement.

Current law specifies that an economic development property must meet the requirements of AS 29.45.050(m)(1), (2) & (3) to qualify for the exemption/deferral. SB 106 would require that an applicant qualify for only one of the criteria that are provided in the bill.

As this is an optional exemption, the local government would be required to maintain current valuations of the property and report them to the State Assessor for inclusion in the Full Value Determination for the community.

This legislation also moves the exemption for fire protection systems from a mandatory exemption to a voluntary exemption.

The Division of Community and Regional Affairs does not anticipate a fiscal impact from this legislation.