

Fiscal Note

State of Alaska
2024 Legislative Session

Bill Version: SB 179
Fiscal Note Number: _____
() Publish Date: _____

Identifier: SB179HCSCS(RLS)-DCCED-DCRA-05-12-24
Title: PROPERTY TRANSFER TAX; MUNI TELECOMM TAX
Sponsor: BJORKMAN
Requester: (H) Rules

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)

	FY2025 Appropriation Requested	Included in Governor's FY2025 Request	Out-Year Cost Estimates					
			FY 2025	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
OPERATING EXPENDITURES								
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	0.0

Fund Source (Operating Only)

None								
Total	0.0	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	0.0

Estimated SUPPLEMENTAL (FY2024) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2025) cost: 0.0 *(separate capital appropriation required)*

Does the bill create or modify a new fund or account? No
(Supplemental/Capital/New Fund - 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? **yes**
If yes, by what date are the regulations to be adopted, amended or repealed? **06/30/26**

Why this fiscal note differs from previous version/comments:

Updated to reflect committee updates, including property assessment; tax exemption for farm land/structures; and prohibiting municipalities and the state from levying a sales and use tax on the transfer of real property.

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Division:	Community and Regional Affairs	Date:	05/12/2024
Approved By:	Hannah Lager, Administrative Services Director	Date:	05/12/24
Agency:	Commerce, Community, and Economic Development		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2024 LEGISLATIVE SESSION

BILL NO. HCS CSSB 179(RLS)

Analysis

This bill requires the department to adopt assessment standards consistent with those of the International Association of Assessing Officers. Under this bill, assessors shall be required to determine the full and true value of property as of January 1st using standards adopted by the Department or by standards provided by ordinance. This bill requires an assessor with a municipality to hold a level 3 certification from the Alaska Association of Assessing Officers, or work under the supervision of someone with this certification. This bill directs the governing body, meaning a City Council or Borough Assembly to appoint one or more boards of equalization for hearing an appeal from a determination of the assessor, and prohibits the board of equalization from raising the property assessment within the current year unless requested to do so by the appellant. A person receiving an assessment notice shall advise the assessor of errors or omissions and may request the assessor meet with them and answer reasonable questions relating to the methods used to determine the assessment. The meeting may be online or telephonic.

This bill allows inclusion of structures on farm use land that are used for farm operations as part of a farm unit to be assessed on the basis of full and true value for farm use and may not be assessed as if subdivided or used for some other nonfarm purpose. It allows a municipality to partially or totally exempt a farm structure used exclusively for farming activity, or purposes directly related to farming activity from taxation, if the farm structure is owned or leased by a person that is actively engaged in farming and that derives at least 10 percent of the person's yearly gross income from farming activity. The property owner wishing to file for farm use classification having no history of farm-related income may submit a declaration of intent at the time of filing the application with the assessor setting out the intended use of the land and is certifying the intent to file an Internal Revenue Service Schedule F (Form 1040). Farm use is defined as products for sale that exceed \$1,000 in a tax year.

This bill prohibits municipalities and the state from levying a tax on the transfer of real property.

The Division of Community and Regional Affairs will need to update regulations to reflect the changes in this legislation, as well as notify the public of the changes. Legal costs and the costs associated with the regulation update will be absorbed by the division's existing budget.