

HOUSE BILL NO. 86

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES HANLEY, Kohring, Bunde

Introduced: 1/17/95

Referred: Community and Regional Affairs

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to municipal property taxes."**

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

3 *** Section 1.** AS 29.45.050(b) is amended to read:

4 (b) A municipality may by ordinance

5 (1) classify boats and vessels for the purposes of taxation and may
6 establish the assessed valuation of boats and vessels on the basis of their registered or
7 certificated net tonnage;

8 (2) classify and exempt from taxation

9 (A) the property of an organization not organized for business
10 or profit-making purposes and used exclusively for community purposes if the
11 income derived from rental of that property does not exceed the actual cost to
12 the owner of the use by the renter;

13 (B) historic sites, buildings, and monuments;

14 (C) land of a nonprofit organization used for agricultural
15 purposes if rights to subdivide the land are conveyed to the state and the

1 conveyance includes a covenant restricting use of the land to agricultural
2 purposes only; rights conveyed to the state under this subparagraph may be
3 conveyed by the state only in accordance with AS 38.05.069(c);

4 (D) all or any portion of private ownership interests in property
5 that, based upon a written agreement with the University of Alaska, is used
6 exclusively for student housing for the University of Alaska; property may be
7 exempted from taxation under this subparagraph for no longer than 30 years
8 unless the exemption is specifically extended by ordinance adopted within the
9 six months before the expiration of that period;

10 (3) classify as to type and exempt or partially exempt some or all
11 types of personal property from ad valorem taxes [TAXATION;

12 (4) EXEMPT BUSINESS INVENTORIES FROM TAXATION;

13 (5) CLASSIFY AS TO TYPE AND EXEMPT OR PARTIALLY
14 EXEMPT ANY OR ALL TYPES OF MOTOR VEHICLES FROM TAXATION;

15 (6) CLASSIFY AS TO TYPE AND EXEMPT OR PARTIALLY
16 EXEMPT ANY OR ALL TYPES OF AIRCRAFT FROM TAXATION;

17 (7) EXEMPT OR PARTIALLY EXEMPT FROM TAXATION ALL
18 BOATS AND VESSELS THAT ARE NOT DOCUMENTED UNDER THE LAWS
19 OF THE UNITED STATES;

20 (8) EXEMPT OR PARTIALLY EXEMPT FROM TAXATION ALL
21 PICKUP CAMPERS, SHELLS, AND CANOPIES;

22 (9) EXEMPT OR PARTIALLY EXEMPT FROM TAXATION ALL
23 UNLICENSED MOTORIZED ALL-TERRAIN VEHICLES, SNOW MACHINES,
24 AND TRAIL BIKES].

25 * **Sec. 2.** AS 29.45 is amended by adding a new section to read:

26 Sec. 29.45.055. LEVY OF FLAT TAX ON PERSONAL PROPERTY. (a)
27 A municipality may by ordinance levy a flat tax on personal property that has been
28 totally exempted 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
30 tax each item of property of the same type at a specific amount. A flat tax may be
31 levied on all or on only some types of personal property. The flat tax ordinance must

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

4 (b) Except as provided in (a) of this section, adoption of a flat tax does not
5 affect the authority of a municipality to levy other taxes or impose fees on the same
6 or other personal property or on the use, possession, sale, or lease of the same or other
7 personal property.

8 * **Sec. 3.** AS 29.45.090(a) is amended to read:

9 (a) A municipality may not, during a year, levy **an ad valorem** [AND] tax for
10 any purpose in excess of three percent of the assessed value of property in the
11 municipality. All property on which **an ad valorem** [A] tax is levied shall be taxed
12 at the same rate during the year.

13 * **Sec. 4.** AS 29.45.120(a) is amended to read:

14 (a) The municipality may require each person having ownership or control
15 of or an interest in property to submit a return in the form prescribed by the assessor,
16 based on **property owned and** property values existing on January 1, except as
17 otherwise provided in this chapter.

18 * **Sec. 5.** AS 29.45.130(a) is amended to read:

19 (a) The assessor is not bound to accept a return as correct. The assessor may
20 make an independent investigation of property returned or of taxable property on
21 which no return has been filed. In either case, the assessor may make the assessor's
22 own valuation of the [TAXABLE] property **subject to an ad valorem tax** and this
23 valuation is prima facie evidence of the value of the property.

24 * **Sec. 6.** AS 29.45.160(a) is amended to read

25 (a) The assessor shall prepare an annual assessment roll. The roll must contain

26 (1) a description of all [TAXABLE] property **subject to an ad**
27 **valorem tax**;

28 (2) the assessed value of all [TAXABLE] property **subject to an ad**
29 **valorem tax**;

30 (3) the names and addresses of persons with property subject to **an ad**
31 **valorem tax** [ASSESSMENT AND TAXATION].

1 * **Sec. 7.** AS 29.45.170(a) is amended to read:

2 (a) The assessor shall give each person named in the assessment roll a notice
3 of assessment [,] showing the assessed value of the person's property **that is subject**
4 **to an ad valorem tax**. On each notice is printed a brief summary of the dates when
5 taxes are payable, delinquent, and subject to penalty and interest, and the dates when
6 the board of equalization will sit.

7 * **Sec. 8.** AS 29.45.590 is amended to read:

8 Sec. 29.45.590. LIMITED PROPERTY TAXING POWER FOR SECOND
9 CLASS CITIES. A second class city may by referendum levy property taxes as
10 provided for first class cities. However, levy **of an ad valorem tax** by a second class
11 city may not exceed two percent of the assessed value of the property taxed, except
12 that the limit does not apply to a levy necessary to avoid a default upon payment of
13 principal and interest of bonded or other indebtedness that is secured by a pledge to
14 levy ad valorem or other taxes without limit to meet debt payments.