

SENATE CS FOR HOUSE BILL NO. 272(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered: 4/16/00

Referred: Rules

Sponsor(s): REPRESENTATIVES HALCRO AND ROKEBERG, Croft, Porter, Kemplen, Hudson, Murkowski, Kerttula, Smalley, Mulder

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the tax assessment by a home rule or general law
2 municipality of housing that qualifies for the low-income housing credit under the
3 Internal Revenue Code; and providing for an effective date."

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

5 * **Section 1.** AS 29.45.110 is amended by adding a new subsection to read:

6 (d) The provisions of this subsection apply to determine the full and true value
7 of property that qualifies for a low-income housing credit under 26 U.S.C. 42:

8 (1) the full and true value of all property within the municipality that
9 qualifies for a low-income housing credit under 26 U.S.C. 42 may be determined under
10 (a) of this section or under (2) of this subsection;

11 (2) if, under (3)(A) of this subsection, the governing body determines
12 by ordinance that the provisions of (a) of this section do not apply to determine the
13 full and true value of property that qualifies for a low-income housing credit under 26
14 U.S.C. 42, instead of assessing the property under (a) of this section, the assessor shall

1 base assessment of the value of the property on the actual income derived from the
 2 property at full occupancy and may not adjust it based on the amount of any federal
 3 income tax credit given for the property; for property the full and true value of which
 4 is to be determined under this paragraph, to secure an assessment under this paragraph,
 5 an owner of property that qualifies for the low-income housing credit shall apply to
 6 the assessor before May 15 of each year in which the assessment is desired; the
 7 property owner shall submit the application on forms prescribed by the assessor and
 8 shall include information that may reasonably be required to determine the entitlement
 9 of the applicant;

10 (3) for property that qualifies for a low-income housing credit under
 11 26 U.S.C. 42, the governing body

12 (A) may determine, by parcel, whether the property shall be
 13 assessed under (a) of this section or on the basis of actual income derived from
 14 the property at full occupancy without adjustment based on the amount of any
 15 federal income tax credit given for the property, as authorized by (2) of this
 16 subsection; and

17 (B) may not, under (A) of this paragraph, change the manner
 18 of assessment of the parcel of property if debt related to the property incurred
 19 in conjunction with the property's qualifying for the low-income housing tax
 20 credit remains outstanding.

21 * **Sec. 2.** The uncodified law of the State of Alaska is amended by adding a new section
 22 to read:

23 **RETROACTIVITY.** (a) Section 1 of this Act is retroactive to January 1, 2000, and
 24 applies to property that qualifies for a low-income tax credit under 26 U.S.C. 42 for the
 25 assessment year that begins January 1, 2000.

26 (b) In a municipality in which a municipality determines that the provisions of
 27 AS 29.45.110(d)(2), added by sec. 1 of this Act, apply during the assessment year beginning
 28 January 1, 2000, the municipality may, notwithstanding the applicable deadline set in that
 29 paragraph, set a different application deadline that is later than May 15, 2000.

30 * **Sec. 3.** This Act takes effect immediately under AS 01.10.070(c).