

CS FOR SENATE BILL NO. 4(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SECOND LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Offered: 4/5/01
Referred: Rules

Sponsor(s): SENATORS THERRIAULT, Wilken

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to a mandatory exemption from municipal property taxes for certain**
2 **residences and to an optional exemption from municipal taxes for residential property;**
3 **and providing for an effective date."**

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

5 *** Section 1.** AS 29.45.030(e) is amended to read:

6 (e) The real property owned and occupied as the primary residence and
7 permanent place of abode by a (1) resident 65 years of age or older; (2) disabled
8 veteran; or (3) resident at least 60 years old who is the widow or widower of a person
9 who qualified for an exemption under (1) or (2) of this subsection [,] is exempt from
10 taxation on the first \$150,000 of the assessed value of the real property. A
11 municipality may, in case of hardship, provide for exemption beyond the first
12 \$150,000 of assessed value in accordance with regulations of the department. Only
13 one exemption may be granted for the same property and, if two or more persons are
14 eligible for an exemption for the same property, the parties shall decide between or

1 among themselves who is to receive the benefit of the exemption. Real property may
 2 not be exempted under this subsection if the assessor determines, after notice and
 3 hearing to the parties, that the property was conveyed to the applicant primarily for the
 4 purpose of obtaining the exemption. The determination of the assessor may be
 5 appealed under AS 44.62.560 - 44.62.570. **A municipality may by ordinance**
 6 **provide that, if property is transferred during the year for which an exemption**
 7 **has been granted under this subsection to a person who does not qualify for the**
 8 **exemption, the exemption ceases on the date of the transfer. The municipality**
 9 **shall calculate a pro rata share of the amount of taxes that would have been**
 10 **levied for the year on the property had it not been granted an exemption under**
 11 **this subsection and shall notify the new owner of the additional amount of taxes.**
 12 **Payment of the additional amount of taxes is due 60 days after the notice is**
 13 **provided to the new owner.**

14 * Sec. 2. AS 29.45.050(a) is amended to read:

15 (a) A municipality may exclude or exempt or partially exempt residential
 16 property from taxation by ordinance ratified by the voters at an election. **An**
 17 **exclusion or exemption authorized by this subsection may not be applied with**
 18 **respect to taxes levied in a service area to fund the special services.** An exclusion
 19 or exemption authorized by this **subsection** [SECTION] may not exceed the assessed
 20 value of \$10,000 for any one residence **in a municipality with a level of total**
 21 **bonded indebtedness that equals or exceeds \$15,000 multiplied by the number of**
 22 **residents in the municipality. Otherwise, an exclusion or exemption authorized**
 23 **by this subsection may not exceed the assessed value of \$30,000 or 20 percent of**
 24 **the assessed value, whichever is less, for any one residence.**

25 * Sec. 3. This Act takes effect January 1, 2002.