

ALASKA STATE LEGISLATURE

**SENATE RULES COMMITTEE**

April 20, 2001

10:50 a.m.

DRAFT

**MEMBERS PRESENT**

Senator John Cowdery, Vice Chair  
Senator Randy Phillips  
Senator Gene Therriault  
Senator Johnny Ellis

**MEMBERS ABSENT**

Senator Drue Pearce, Chair (Excused)

**COMMITTEE CALENDAR**

SENATE JOINT RESOLUTION NO. 26

Urging the President and the Congress to provide additional funding for special education services.

APPROVED FOR CALENDARING

SENATE BILL NO. 4

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

ADOPTED A SENATE RULES COMMITTEE SUBSTITUTE AND APPROVED FOR CALENDARING

**PREVIOUS COMMITTEE ACTION**

SB 4 - See Community & Regional Affairs minutes dated 2/7/01 and 2/28/01 and Finance Report dated 4/5/01.

SJR 26 - See HESS minutes dated 4/18/01.

**ACTION NARRATIVE**

**TAPE 01-7, SIDE A**

Number 001

**VICE-CHAIRMAN JOHN COWDERY** called the Senate Rules Committee meeting to order at 10:50 a.m. Present were Senators Phillips, Therriault, Ellis and Cowdery.

#SB 4

VICE-CHAIRMAN COWDERY announced that a Senate Rules Committee substitute (Version T) to SB 4-MUNICIPAL PROPERTY TAX EXEMPTION was before the committee.

SENATOR THERRIAULT, sponsor of SB 4, explained that Section 1 of the Senate Finance Committee version of SB 4 allowed local governments to assess property taxes on a part-year basis when senior citizens who qualify for a property tax exemption sell that property to a person who doesn't qualify. However, that provision will create timing problems for his borough because right now the assessments and taxes are determined once per year. Section 1 would kick off a process in which that valuation would have to happen at different times of the year. That section was dropped from Version T.

VICE-CHAIRMAN COWDERY asked if the annual assessed value remains regardless of sales.

SENATOR THERRIAULT said that is correct and that the status quo will be maintained. A person who buys property from a senior citizen will get the benefit of the senior's property assessment until the end of that tax year. That section was more problematic for local governments than it was worth. He explained that another section of the Senate Finance version would have inadvertently impacted the local governments that give 100 percent of the \$10,000 property tax exemption that is currently in statute. The Senate Finance version provided for 20 percent or less of the value of the property and would have actually increased some people's property taxes. That was not the committee's intent. Version T ensures that the existing \$10,000 exemption is not impacted by this legislation. It provides for an additional tax exemption if local governments choose to exercise it.

SENATOR THERRIAULT moved to adopt Version T as the working document of the committee and to move it for the purpose of calendaring. There being no objection, the motion carried.

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#SJR 26

VICE-CHAIRMAN COWDERY noted SJR 26-FEDERAL AID FOR SPECIAL EDUCATION urges the President and Congress to provide additional funding for special education services.

SENATOR PHILLIPS moved to calendar SJR 26. There being no objection, the motion carried.

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There being no further business to come before the committee,  
VICE-CHAIRMAN COWDERY adjourned the meeting at 10:57 a.m.