

CS FOR SENATE BILL NO. 193(CRA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FOURTH LEGISLATURE - SECOND SESSION

BY THE SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Offered: 3/13/06

Referred: Finance

Sponsor(s): SENATORS BUNDE, Dyson, Ellis

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to a mandatory exemption for certain residences owned by a religious**
2 **organization and to an optional deferral of municipal property taxes on certain primary**
3 **residences."**

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

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

6 (b) In (a) of this section, "property used exclusively for religious purposes"
7 includes the following property owned by a religious organization:

8 (1) the residence of **an educator in a private religious or parochial**
9 **school or** a bishop, pastor, priest, rabbi, minister, or religious order of a recognized
10 religious organization; **for purposes of this paragraph, "minister" means an**
11 **individual who is**

12 **(A) ordained, commissioned, or licensed as a minister**
13 **according to standards of the religious organization for its ministers; and**

14 **(B) employed by the religious organization to carry out a**

1 **ministry of that religious organization;**

2 (2) a structure, its furniture, and its fixtures used solely for public
3 worship, charitable purposes, religious administrative offices, religious education, or a
4 nonprofit hospital;

5 (3) lots required by local ordinance for parking near a structure defined
6 in (2) of this subsection.

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

8 **Sec. 29.45.052. Tax deferral for primary residences.** (a) A municipality may
9 by ordinance provide for the deferral during a year of all or a portion of the taxes on
10 property that is entirely owned by

11 (1) an individual

12 (A) who occupies the property as the individual's primary
13 residence;

14 (B) is eligible for a permanent fund dividend under
15 AS 43.23.005 for that same year or for the immediately preceding year; and

16 (C) whose income is less than three times the federal poverty
17 guideline for the state set by the United States Department of Health and
18 Human Services; or

19 (2) two or more individuals

20 (A) each of whom occupies the property as the individual's
21 primary residence;

22 (B) each of whom is eligible for a permanent fund dividend
23 under AS 43.23.005 for that same year or the immediately preceding year; and

24 (C) whose combined income is less than three times the federal
25 poverty guideline for the state set by the United States Department of Health
26 and Human Services.

27 (b) An individual owner, or all owners if there are two or more owners, must
28 apply for each year that a deferral is sought and supply proof of eligibility for the
29 deferral for that year in accordance with requirements set out in the ordinance that
30 authorizes the deferral. Taxes for a year that are deferred do not become payable until
31 ownership of the property is transferred from the individual or individuals who

1 obtained the deferral. A municipality that provides for a deferral of property taxes
2 under this subsection may not impose interest on the taxes deferred between the time
3 the deferral is granted and the time the taxes become payable.

4 (c) A tax deferral under this section creates a lien in favor of the municipality
5 on the property for which the deferral is granted. The municipality shall record the lien
6 with the district recorder. The municipality may charge the cost of recording the lien
7 to the individual or individuals who applied for the deferral.