

SENATE BILL NO. 201

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

BY SENATORS MENARD AND HUGGINS, Ellis

Introduced: 1/19/10

Referred: Community and Regional Affairs, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the municipal property tax exemption on residences of certain
2 seniors and others; and providing for an effective date."

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

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

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

1 decide between or among themselves who is to receive the benefit of the exemption.
 2 Real property may not be exempted under this subsection if the assessor determines,
 3 after notice and hearing to the parties, that the property was conveyed to the applicant
 4 primarily for the purpose of obtaining the exemption. The determination of the
 5 assessor may be appealed under AS 44.62.560 - 44.62.570.

6 * **Sec. 2.** AS 29.45.030(g) is amended to read:

7 (g) The state shall reimburse a borough or city, as appropriate, for the real
 8 property tax revenues lost to it by the operation of (e) of this section. However,
 9 reimbursement may be made to a municipality for revenue lost to it only to the extent
 10 that the loss exceeds an exemption that was granted by the municipality, or that on
 11 proper application by an individual would have been granted under AS 29.45.050(a).
 12 If appropriations are not sufficient to fully fund reimbursements under this subsection,
 13 the amount available shall be distributed pro rata among eligible municipalities. **The**
 14 **amount of the exemption under (e) of this section for a tax year shall be the first**
 15 **\$200,000 of the assessed value of the real property if, by September 1 of the**
 16 **previous tax year, the commissioner determines that the amount appropriated is**
 17 **sufficient to fully fund reimbursements to all municipalities at this increased**
 18 **exemption amount.**

19 * **Sec. 3.** AS 29.45.050(i) is amended to read:

20 (i) A municipality may by ordinance approved by the voters exempt from
 21 taxation the **portion of** assessed value [THAT EXCEEDS \$150,000] of real property
 22 **that qualifies for an exemption under AS 29.45.030(e) - (i) but is not exempted**
 23 **under those subsections** [OWNED AND OCCUPIED AS A PERMANENT PLACE
 24 OF ABODE BY A RESIDENT WHO IS

25 (1) 65 YEARS OF AGE OR OLDER;

26 (2) A DISABLED VETERAN, INCLUDING A PERSON WHO WAS
 27 DISABLED IN THE LINE OF DUTY WHILE SERVING IN THE ALASKA
 28 TERRITORIAL GUARD; OR

29 (3) AT LEAST 60 YEARS OLD AND A WIDOW OR WIDOWER
 30 OF A PERSON WHO QUALIFIED FOR AN EXEMPTION UNDER (1) OR (2) OF
 31 THIS SUBSECTION].

1 * **Sec. 4.** This Act takes effect July 1, 2010.