

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: SB 120
 (S) Publish Date: 2/22/10

Identifier (file name): SB120-CED-CRA-2-2-10 Dept. Affected: DCCED
 Title: Municipal Property Tax Exemption RDU: Comm. Assist. and Econ. Dev.
 Component: Community and Regional Affairs
 Sponsor: Senator Thomas
 Requester: Senate Community and Regional Affairs Committee Component Number: 2879

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
		FY 2011	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
OPERATING EXPENDITURES							
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING		0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES							
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CHANGE IN REVENUES ()	(1,430.0)		(1,500.0)	(1,580.0)	(1,660.0)	(1,740.0)	(1,830.0)
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2010) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

SB 120 would allow municipalities to increase the current residential exemption from \$20,000 per residence to \$100,000. This increase will allow municipalities to shift the tax burden away from residential property to other types of properties, such as commercial, vacant and in those municipalities with oil and gas properties, to AS 43.56 property, upon which the state levies a 20 mill tax and refunds the local municipal mill rate to those municipalities.

By increasing this exemption, municipalities will be forced to increase their mill rate to raise the same amount of revenue if no other source of revenue is found. Increasing the local mill rate will increase the amount of taxes that a municipality will levy against AS 43.56 properties thus reducing that amount to the state.

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 Approved by: Emil Notti, Commissioner
Department of Commerce, Community and Economic Development

Phone 465-4605
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