

**ALASKA STATE LEGISLATURE**  
**SENATE COMMUNITY AND REGIONAL AFFAIRS STANDING COMMITTEE**

February 23, 2012

3:34 p.m.

**MEMBERS PRESENT**

Senator Donald Olson, Chair  
Senator Albert Kookesh  
Senator Linda Menard  
Senator Johnny Ellis

**MEMBERS ABSENT**

Senator Thomas Wagoner

**COMMITTEE CALENDAR**

SENATE BILL NO. 183

"An Act authorizing municipalities to exempt from tax, by ordinance approved by the voters in the municipality, the real property that is the primary residence of a resident who is the widow or widower of a person who was killed while in the military service of the United States; and providing for an effective date."

- HEARD & HELD

**PREVIOUS COMMITTEE ACTION**

BILL: SB 183

SHORT TITLE: PROPERTY TAX EXEMPTION/MILITARY WIDOW(ER)

SPONSOR(S): SENATOR(S) DAVIS

01/30/12	(S)	READ THE FIRST TIME - REFERRALS
01/30/12	(S)	CRA, FIN
02/23/12	(S)	CRA AT 3:30 PM BELTZ 105 (TSBldg)

**WITNESS REGISTER**

CELESTE HODGE, Staff  
Senator Bettye Davis  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Introduced SB 183 on behalf of the sponsor.

DICK TRAINI, Assembly Member

Anchorage Assembly  
Anchorage, Alaska  
**POSITION STATEMENT:** Supports SB 183.

SENATOR BETTYE DAVIS  
Alaska State Legislature  
Juneau, Alaska  
**POSITION STATEMENT:** Sponsor of SB 183.

WENDY LAWRENCE, Assistant State Assessor  
Office of the State Assessor  
Department of Community and Regional Affairs  
Anchorage, Alaska  
**POSITION STATEMENT:** Neutral on SB 183.

#### **ACTION NARRATIVE**

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**CHAIR DONALD OLSON** called the Senate Community and Regional Affairs Standing Committee meeting to order at 3:34 p.m. Present at the call to order were Senators Kookesh, Menard and Chair Olson.

#### **SB 183-PROPERTY TAX EXEMPTION/MILITARY WIDOW(ER)**

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**CHAIR OLSON** announced the consideration of SB 183.

CELESTE HODGE, staff to Senator Bettye Davis, Alaska State Legislature, said the bill authorized municipalities to exempt from tax the real property that was the primary residence of a resident who was a widow or widower of a person killed while in the military service. She said the legislation would extend the exemption towards a surviving spouse, age 60 or older, of a military member or veteran who qualified for the senior property tax exemption and was killed in the line of duty. She said SB 183 would exempt the widow or widower on the first \$150,000 of the assessed value of the real property. She said the tax exemption would have to be approved by the voters in each municipality or borough to take effect. She said the municipality of Anchorage had considered putting the exemption on the ballot for voters to consider in April. She said disabled veterans and spouses of disabled veterans currently received property tax exemptions under state law.

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SENATOR ELLIS arrived.

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CHAIR OLSON asked if there would be a difference as to whether a person was a widow or widower to receive the tax exemption.

MS. HODGE answered no.

CHAIR OLSON asked if the exemption applied to all branches of the military.

MS. HODGE answered yes.

CHAIR OLSON asked if the National Guard was included.

MS. HODGE answered yes.

SENATOR MENARD asked if the bill was patterned after municipalities that provided property tax relief to permanent residents over the age of 64.

MS. HODGE answered yes.

SENATOR MENARD commented that municipalities' budgets be affected. She asked if communities other than Anchorage have considered putting the exemption on upcoming ballots.

MS. HODGE answered that she did not know.

SENATOR OLSON asked if Alaska Municipal League (AML) had provided feedback.

MS HODGE answered no.

CHAIR OLSON asked if a city would have to pass an ordinance in order to implement the tax exemption.

MS. HODGE answered correct.

SENATOR MENARD asked how many Alaskans would qualify.

MS. HODGE answered that five would qualify in Anchorage.

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DICK TRAINI, Assembly Member, Municipality of Anchorage, said the tax exemption was introduced to the Anchorage Assembly and the initiative was placed on the April ballot. He noted that a

tax exemption approved by voters would be conditional upon the legislature passing SB 183. He said the municipality would take full responsibility for covering lost tax revenue.

SENATOR MENARD commented on previous legislation for military widow or widower that an extra year would be given to a collect a Permanent Fund Dividend (PFD). She said legislation like SB 183 would show sensitivity and help aid widows or widowers.

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SENATOR MENARD asked if a tax exemption strictly applied to military personnel killed in line of duty.

MR. TRANI answered yes.

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CHAIR OLSON asked about eligibility if a soldier committed suicide.

MR. TRANI answered that he did not know. He said the legislature would have to define "in the line of duty."

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SENATOR MENARD commented that "line of duty" must be defined and noted possible suicide issues relating to mental illness.

SENATOR KOOKESH said the bill's title stated "while killed in the line of military service" and did not mention "in the line of duty."

SENATOR MENARD responded that "killed in the line of duty while in the military" was noted in the bill.

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SENATOR KOOKESH commented that the bill's title and content were different and would have to be changed.

SENATOR BETTYE DAVIS, sponsor of SB 183, asked if Senator Menard was referring to the bill or the sponsor statement.

SENATOR MENARD responded that the bill stated "who was killed while in military service to the United States in providing for an effective date."

SENATOR KOOKESH noted that the bill was pretty clear from what Senator Menard had read.

CHAIR OLSON asked if the bill's sponsor had any comments on the suicide question.

SENATOR DAVIS responded that she was not able to answer questions involving suicide.

MR. TRANI commented that Senator Davis could contact the military base in Anchorage and find out what their definition of suicide was.

SENATOR DAVIS responded that she would check with the military base.

SENATOR MENARD asked how many other states had similar tax exemption statutes.

SENATOR DAVIS answered that she did not know.

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MS. HODGE responded that several states had similar legislation.

CHAIR OLSON noted Florida was one state. He asked if the bill was similar to Florida's legislation.

MS. HODGE answered yes. She said Arkansas, Maryland, Wisconsin, Illinois, South Dakota and Arizona had similar legislation.

SENATOR MENARD asked if most of the states were at the \$150,000 exemption level.

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WENDY LAWRENCE, Assistant State Assessor, Office of the State Assessor, Department of Community and Regional Affairs, said the bill was an optional exemption placed under the mandatory section under AS.29.45.030 and the state would be required to reimburse municipalities. She noted that reimbursement had not occurred in the last ten years.

CHAIR OLSON asked to clarify that the state would have to reimburse the municipalities for the tax exemptions.

MS. LAWRENCE answered correct.

CHAIR OLSON asked if reimbursement would be on the first \$150,000.

MS. LAWRENCE answered correct. She said the exemptions would be mandatory and must be reimbursed to municipalities.

CHAIR OLSON asked why there was a zero fiscal note with the bill.

MS. LAWRENCE answered that she did not know.

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SENATOR DAVIS said she would confirm that the state would have to reimburse local municipalities for property tax exemptions. She said the only reason why she introduced the bill was due to municipalities not being able to approve property tax exemptions without legislative approval.

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CHAIR OLSON said SB 183 would be held.

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There being no further business to come before the committee, Chair Olson adjourned the Senate Community and Regional Affairs Standing Committee meeting at 3:50 p.m.