

Introduced: 2/7/72
Referred: Local Government
and Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 597

3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for assessment, levy, collection and
7 distribution of a property tax; and providing for an
8 of effective date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 * Section 1. AS 43 is amended by adding a new chapter to read:

11 CHAPTER 77. PROPERTY TAX.

12 ARTICLE 1. LEVY, ASSESSMENT AND COLLECTION.

13 Sec. 43.77.010. LEVY OF TAX. An annual tax of 15 mills is
14 levied each tax year, beginning January 1, 1973, on the full and true
15 value of taxable real and personal property located in the state.

16 Sec. 43.77.020. EXEMPTIONS. The following property is exempt
17 from the tax levied in sec. 10 of this chapter:

- 18 (1) an owner-occupied single family dwelling, and the land
19 it stands on, including but not limited to condominiums to the extent
20 of the interest of an owner, and household goods and personal effects,
21 including but not limited to farm equipment, inventory, mechanic's
22 tools and other equipment necessary to the business of the taxpayer
23 and other property of the taxpayer of any description otherwise
24 taxable under this chapter; however, an exemption under this paragraph
25 may not exceed \$50,000;
- 26 (2) property exempt under AS 29.10.336;
- 27 (3) unimproved land;
- 28 (4) aircraft weighing 6,000 pounds or less;
- 29 (5) boats and vessels otherwise taxed by a city or borough.

1 Sec. 43.77.030. CREDIT. A credit is allowed to an owner on the
2 tax payable with respect to particular property under this chapter equal
3 to the full amount of ad valorem tax levied by a city or borough on
4 the same property for the same tax year and not satisfied by means of
5 a tax credit or by means of a tax incentive.

6 Sec. 43.77.040. LOCAL EFFORT EXCLUSION. No return need be filed
7 nor tax paid by any person with respect to property located in a city
8 or borough for any tax year as to which the Department of Revenue
9 certifies that the amount of tax which would be levied under this
10 chapter in the city or borough for that year exceeds the amount of
11 revenue raised or anticipated from all local taxes in the city or
12 borough during the tax year next preceding.

13 Sec. 43.77.050. ASSESSMENT. Assessment of property in unorganized
14 boroughs subject to the tax levied under this chapter shall be carried
15 out by the office of the state assessor in the Department of Community
16 and Regional Development in the manner provided in AS 29.10.378 -
17 29.10.453 for first class cities, except that the state assessor in
18 the Department of Community and Regional Development shall function
19 in place of the local assessor and a state assessment review officer
20 shall function in place of the city council sitting as a board of
21 equalization.

22 Sec. 43.77.060. STATE ASSESSMENT REVIEW OFFICERS. The commis-
23 sioner of community and regional development shall appoint at least
24 five qualified persons to serve at his pleasure as state assessment
25 review officers. At least one such person shall be appointed from
26 each of the four judicial districts.

27 Sec. 43.77.070. COMPENSATION, PER DIEM AND EXPENSES. State
28 assessment review officers receive no compensation but are entitled
29 to per diem and expenses authorized by law for boards.

1 Sec. 43.77.080. POWERS AND DUTIES. Each state assessment review
2 officer has the powers and duties with respect to assessment in un-
3 organized boroughs of a city council sitting as a board of equalization
4 with respect to first class cities.

5 Sec. 43.77.090. HEARINGS. The commissioner of community and
6 regional development shall assign annually at least one state assess-
7 ment review officer to hear assessment appeals at appropriate locations
8 in each election district.

9 Sec. 43.77.100. REAL PROPERTY RECORDING. To assist in assessment
10 of real property subject to tax under this chapter, no recorder may
11 accept for filing any document of transfer unless the document shows on
12 its face a legal description of the property, the names and addresses
13 of the buyer and seller, the date of the sale, and the purchase price,
14 attested to by the transferee, except that, the recorder may accept,
15 in place of this information on the document of transfer, a sworn
16 statement of the transferee containing the same information. The
17 statement shall be held in confidence for use only by the office of
18 the state assessor.

19 Sec. 43.77.110. COLLECTION AND ENFORCEMENT. The tax levied in
20 this chapter is payable in full to the Department of Revenue on
21 September 30 of the tax year. A penalty of ten per cent shall be
22 added to delinquent taxes and interest at the rate of six per cent a
23 year shall accrue on all unpaid taxes, excluding penalties, from the
24 due date until paid in full. Collection of the tax levied in this
25 chapter shall be carried out by the Department of Revenue in the manner
26 provided in AS 29.10.456 - 29.10.537 and AS 29.10.348 - 29.10.351
27 for first class cities.

28 Sec. 43.77.120. PROCEEDS OF TAX. Money collected under this
29 chapter shall be deposited in the general fund.

1 Sec. 43.77.130. LIEN FOR TAX. The tax levied under this chapter
2 and interest and penalty set out in sec. 110 of this chapter are
3 liens upon the property assessed and taxed. With respect to property
4 located outside an organized borough and outside of a city, the tax
5 liens provided by this chapter are prior and paramount to all other
6 liens or encumbrances against the property assessed. With respect
7 to property located in cities and boroughs the tax liens provided by
8 this chapter are prior to all liens and encumbrances against the
9 property assessed except liens for taxes levied by the city or
10 borough.

11 Sec. 43.77.140. FALSE STATEMENT. A person who knowingly makes
12 a false statement in a return required under this chapter as to the
13 amount, location, kind or value of property subject to taxation with
14 intent to evade the taxation is guilty of a misdemeanor and upon
15 conviction is punishable by a fine of not more than \$500 or by im-
16 prisonment for not more than five days, or by both, together with the
17 costs of prosecution.

18 ARTICLE 2. REVENUE SHARING AMONG UNORGANIZED BOROUGHS.

19 Sec. 43.77.160. DISTRIBUTION OF PROCEEDS. The legislature is
20 authorized to appropriate each year as shared revenue for the benefit
21 of unorganized boroughs an amount equal to the net amount of revenue
22 raised under this chapter in the preceding year on property located
23 in unorganized boroughs. Revenue so appropriated shall be administered
24 by the Department of Community and Regional Development. The depart-
25 ment shall hold and utilize for the benefit of each unorganized
26 borough an amount determined in accordance with secs. 170 - 190 of
27 this chapter.

28 Sec. 43.77.170. DIRECT RETURN. From the appropriation authorized
29 under sec. 160 of this chapter an amount equal to the net revenue

1 raised by a five mill levy on property taxable under this chapter
2 within each unorganized borough shall be held and used for the benefit
3 of the unorganized borough where the particular property is located.

4 Sec. 43.77.180. DISTRIBUTION. Revenue appropriated under sec.
5 130 of this chapter, less revenue allotted in accordance with sec.
6 170 of this chapter, shall be held and used for the benefit of each
7 unorganized borough in accordance with the ratio of its distribution
8 index to the sum of the distribution indices of all unorganized
9 boroughs.

10 Sec. 43.77.190. DISTRIBUTION INDEX. The distribution index
11 of each unorganized borough is based upon its wealth, cost of services,
12 population and area and is determined by the following formula:

13
$$D = \frac{FaCP}{2 F_p}$$

14 where D = distribution index

15 Fa = average fiscal capacity of unorganized boroughs

16 F_p = fiscal capacity of the particular unorganized borough

17 C = cost of service which is the cost as determined by the
18 state assessor for each tax year in each particular unorganized
19 borough of providing education, water, sewer, police, fire, adminis-
20 trative and other government services expressed as a percentage of the
21 average cost of such services in all unorganized boroughs.

22 P = population of the particular unorganized borough as a
23 percentage of total population of unorganized boroughs.

24 Sec. 43.77.200. DEFINITIONS. In this chapter

25 (1) "taxable real and personal property" means property
26 not exempt from taxation under the constitution and laws of the
27 state; particularly the term does not include property exempt under
28 sec. 20 of this chapter, in AS 29.10.342, in AS 29.10.343 and in
29

1 29.10.344; the term otherwise includes property exempted from
2 taxation by home rule charter provision and property exempted from
3 execution under AS 09;

4 (2) "real property" means property defined in AS
5 29.10.552(1);

6 (3) "personal property" means property as defined in AS
7 29.10.552(3) excluding money on deposit;

8 (4) "unimproved land" means land with respect to which the
9 state assessor in the Department of Community and Regional Development
10 determines that no current physical addition or alteration which
11 enhances the utility, value, or income producing potential exists;

12 (5) "fiscal capacity" means the total assessed value within
13 an organized borough divided by its population.

14 Sec. 43.77.210. REGULATIONS. The Department of Community and
15 Regional Development and the Department of Revenue may adopt regula-
16 tions as appropriate to carry out their respective duties under this
17 chapter.

18 * Sec. 2. This Act takes effect on the day after its passage and
19 approval or on the day it becomes law without approval.
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