

Introduced: 4/4/73
Referred: Resources, Community
& Regional Affairs and Finance

1 IN THE HOUSE

BY PETERSEN

2 HOUSE BILL NO. 414

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act providing for a tax in the unorganized borough
7 on property used in connection with transportation of
8 unrefined oil and gas; and providing for an effective
9 date."

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

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

12 CHAPTER 85. PROPERTY TAX IN THE UNORGANIZED BOROUGH.

13 Sec. 43.85.010. LEVY OF TAX. An annual tax of 30 mills is levied
14 each tax year beginning January 1, 1974, on the full and true value of
15 taxable real and tangible personal property in the unorganized borough
16 employed in the transportation of unrefined oil and gas. With respect
17 to a facility employed for part of a tax year in a manner as to render
18 it taxable under this chapter or partly so employed for a full tax year,
19 the value of the facility taxable under this chapter shall be proportion-
20 ate to the employment. Property taxable under this chapter does not
21 include property employed in the construction of facilities as dis-
22 tinguished from the facilities themselves; however, with respect to
23 pipelines and other facilities taxable under this chapter which may be
24 under construction or awaiting construction, full and true value for
25 each tax year shall be measured by the costs incurred or accrued with
26 respect to the facility as of the assessment date. The tax levied under
27 this chapter does not apply to property subject to ad valorem taxation
28 by a borough or an incorporated city in the unorganized borough.

29 Sec. 43.85.020. EXEMPTIONS. In addition to property excluded

1 under sec. 130 of this chapter, the following property is exempt from
2 the tax levied under this chapter:

3 (1) producing oil or gas leases;

4 (2) machinery, appliances and equipment used and around
5 a well producing oil or gas and actually used in the operation of a
6 well;

7 (3) oil and gas produced in the state upon which gross pro-
8 duction taxes are paid under ch. 55 of this title.

9 Sec. 43.85.030. ASSESSMENT. Assessment of property in the unorganized
10 borough subject to the tax levied under this chapter shall be carried
11 out by the office of the state assessor in the Department of Community
12 and Regional Affairs in the manner provided in AS 29.53.060 - 29.53.160,
13 except that the state assessor in the Department of Community and
14 Regional Affairs shall function in place of the local assessor and a
15 state assessment review officer shall function in place of the assembly
16 sitting as a board of equalization.

17 Sec. 43.85.040. STATE ASSESSMENT REVIEW OFFICERS. The commissioner
18 of community and regional affairs shall appoint at least five qualified
19 persons to serve at his pleasure as state assessment review officers.
20 At least two of these persons shall be appointed from the unorganized
21 borough.

22 Sec. 43.85.050. COMPENSATION, PER DIEM AND EXPENSES. State
23 assessment review officers receive no compensation but are entitled to
24 per diem and expenses authorized by law for boards.

25 Sec. 43.85.060. POWERS AND DUTIES. Each state assessment review
26 officer has the powers and duties with respect to assessment in the un-
27 organized borough of an assembly or council sitting as a board of
28 equalization.

29 Sec. 43.85.070. HEARINGS. The commissioner of community and

1 regional affairs shall assign annually at least one state assessment
2 review officer to hear assessment appeals at appropriate locations in
3 each election district in the unorganized borough.

4 Sec. 43.85.080. COLLECTION AND ENFORCEMENT. The tax levied in
5 this chapter is payable in full to the Department of Revenue on
6 September 30 of the tax year, except that, the Department of Revenue may
7 by regulation provide for prepayment of taxes and payment by install-
8 ments. A penalty of ten per cent shall be added to delinquent taxes
9 and interest at the rate of eight per cent a year, or four percentage
10 points above the annual rate charged member banks for advances by the
11 12th Federal Reserve District that prevailed on the first day of the
12 month preceding the commencement of that calendar quarter, whichever is
13 greater, shall accrue on all unpaid taxes, excluding penalties, from the
14 due date until paid in full. Collection of the tax levied under this
15 chapter shall be carried out by the Department of Revenue substantially
16 in the manner provided in AS 29.53.200 - 29.53.390 except that the state
17 is substituted for references to cities and boroughs.

18 Sec. 43.85.090. LIEN FOR TAX. Notwithstanding any other provision
19 of law, the tax levied under this chapter and interest and penalty set
20 out in sec. 80 of this chapter are liens upon the property subject to
21 tax under this chapter. The liens provided by this section are prior
22 and paramount to all other liens or encumbrances upon the same property.

23 Sec. 43.85.100. FAILURE TO FILE: FALSE STATEMENT. A person who
24 knowingly fails to file a return when due or makes a false statement
25 in a return required under this chapter with intent to evade the taxation
26 is guilty of a felony and upon conviction is punishable by a fine of
27 not more than \$5,000, or by imprisonment for not more than five years,
28 or by both, together with the costs of prosecution.

29 Sec. 43.56.110. DEPOSIT IN GENERAL FUND. The revenue from the

1 tax levied under this chapter shall be deposited in the general fund.

2 Sec. 43.85.110. DISTRIBUTION OF PROCEEDS. The legislature is
3 authorized to appropriate each year as shared revenue for the benefit
4 of the unorganized borough an amount equal to the net amount of revenue
5 raised under this chapter in the preceding year on property located
6 in the unorganized borough. Revenue so appropriated shall be adminis-
7 tered by the Department of Community and Regional Affairs, and shall be
8 used by the department for purposes of public and community education in
9 the unorganized borough.

10 Sec. 43.85.120. REGULATIONS. The Department of Community and
11 Regional Affairs and the Department of Revenue may adopt regulations
12 as appropriate to carry out their respective duties under this chapter.

13 Sec. 43.85.130. DEFINITIONS. In this chapter "taxable real and
14 tangible personal property" means tank farms, tanker terminals,
15 gathering and transmission lines, and related facilities associated
16 with the production and transportation of crude oil and natural gas,
17 but does not include property exempt from taxation under the constitution
18 and laws of the state or of the United States, or any subsurface estate
19 or property used in a consumer distribution system.

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