

Offered: 4/22/74
Referred: Rules

Original sponsor: Judiciary Committee

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2 SENATE CS FOR HOUSE BILL NO. 827

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act authorizing farm use property tax assessment."

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

8 * Section 1. AS 29.53.035 is amended to read:

9 Sec. 29.53.035. FARM OR AGRICULTURAL LANDS. (a) Farm use lands
10 included in a farm unit and not dedicated or being used for nonfarm
11 purposes shall be assessed on the basis of full and true value for
12 farm use, and shall not be assessed as if subdivided or used for some
13 other nonfarm purpose. The assessor shall maintain [SEPARATE ASSESS-
14 MENT] records valuing [EVALUATING] the farm use land for both full and
15 true value and farm use value [OTHER THAN FARM USE PURPOSES, WHERE
16 APPLICABLE]. Should the farm use land be sold, leased, or otherwise
17 disposed of, for other than farm use purposes or be converted to non-
18 farm use by the owner, the owner shall be liable to pay an amount equal
19 to the additional tax together with five per cent interest for the
20 preceding seven years [TWO YEARS, AND THE APPLICABLE PORTION OF THE
21 CURRENT TAX YEAR], as though the land had not been assessed for farm
22 use purposes. Payment by the owner shall be made to the state to the
23 extent of its reimbursement for revenue loss under (e) of this section.
24 The balance of the payment shall be made to the city or borough.

25 (b) An owner of farm use land must, to secure the assessment,
26 make application to the assessor before February 1 of each year in which
27 the assessment is desired. The application shall be made upon forms
28 prescribed by the state assessor for the use of the local assessor
29 [PREPARED AND SUPPLIED BY THE ASSESSOR] and shall include information

1 which may reasonably be required to determine the entitlement of the
2 applicant. If the farm use land is leased for farm use purposes, the
3 applicant shall furnish to the assessor a copy of the lease bearing the
4 signatures of both lessee and lessor along with the completed applica-
5 tion. The applicant shall furnish the assessor a copy of the lease
6 covering the period for which the exemption is requested.

7 (c) In this section "farm use" means the use of land for raising
8 and harvesting crops or for the feeding, breeding and management of
9 livestock or for dairying or another agricultural use for profit or any
10 combination thereof [AND INCLUDES THE PREPARATION OF THE PRODUCTS RAISED
11 ON THE FARM USE LAND AND DISPOSAL BY MARKETING OR OTHERWISE. IT INCLUDES
12 THE CONSTRUCTION AND USE OF DWELLINGS AND OTHER BUILDINGS CUSTOMARILY
13 PROVIDED IN CONJUNCTION WITH THE FARM USE]. To be farm use land, the
14 owner or the lessee must be actively engaged in farming the land, and
15 derive at least 10 per cent [ONE-FOURTH] of his yearly gross income
16 from the farm use land. The provisions of this section do not apply to
17 land respecting which the owner has granted, and has outstanding, a
18 lease or option to buy the surface rights. A property owner wishing to
19 file for farm use classification having no history of farm-related
20 income may submit a declaration of intent at the time of filing the
21 application with the assessor setting out the intended use of the land
22 and the anticipated percentage of income. An applicant using this
23 procedure shall file with the assessor before February 1 of the follow-
24 ing year a notarized statement of the percentage of gross income attri-
25 butable to the farm use land. Failure to make the filing required in
26 this subsection forfeits the exemption.

27 (d) In the event of a crop failure by an act of God the previous
28 year, the owner or lessee may submit an affidavit affirming that 10
29 per cent of his gross income for the past three years was from farming.

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(e) Subject to legislative appropriations for the purpose, the state shall reimburse a borough or city, as appropriate, for the real property tax revenues lost to it by the operation of this section.