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Referred: Community and
Regional Affairs

1 IN THE SENATE

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2 *CS* SENATE BILL NO. 428 *am*
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 EIGHTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the assessment of farm use land
7 for municipal tax purposes."

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

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

10 Sec. 29.53.035. FARM OR AGRICULTURAL LANDS. (a) Farm use lands
11 actually being farmed shall be assessed on the basis of full and true
12 value for farm use, and shall not be assessed as if subdivided or used
13 for some other nonfarm purpose. The assessor shall maintain [SEPARATE
14 ASSESSMENT] records valuing [EVALUATING] the farm use land for both
15 full and true value and farm use value [OTHER THAN FARM USE PURPOSES,
16 WHERE APPLICABLE]. Should the farm use land be sold, leased, or other-
17 wise disposed of, for other than farm use purposes, the owner shall be
18 liable to pay an amount equal to the additional tax for the preceding
19 seven years [TWO YEARS, AND THE APPLICABLE PORTION OF THE CURRENT TAX
20 YEAR], as though the land had not been assessed for farm use purposes.

21 (b) An owner of farm use land must, to secure the assessment,
22 make application to the assessor before February 1 of each year in
23 which the assessment is desired. The application shall be made upon
24 forms prepared and supplied by the assessor and shall include infor-
25 mation which may reasonably be required to determine the entitlement
26 of the applicant. If the farm use land is leased for farm use purposes,
27 the applicant shall furnish to the assessor a copy of the lease bearing
28 the signatures of both lessee and lessor along with the completed
29 application. The applicant shall furnish the assessor a copy of the

1 lease covering the period for which the exemption is requested.

2 (c) In this section "farm use" means the use of land for raising
3 and harvesting crops or for the feeding, breeding and management of
4 livestock or for dairying or another agricultural use for profit or any
5 combination thereof [AND INCLUDES THE PREPARATION OF THE PRODUCTS
6 RAISED ON THE FARM USE LAND AND DISPOSAL BY MARKETING OR OTHERWISE.
7 IT INCLUDES THE CONSTRUCTION AND USE OF DWELLINGS AND OTHER BUILDINGS
8 CUSTOMARILY PROVIDED IN CONJUNCTION WITH THE FARM USE]. To be farm
9 use land, the owner or the lessee must be actively engaged in farming
10 the land [AND DERIVE AT LEAST ONE-FOURTH OF HIS YEARLY GROSS INCOME
11 FROM THE FARM USE LAND. THE PROVISIONS OF THIS SECTION DO NOT APPLY
12 TO LAND RESPECTING WHICH THE OWNER HAS GRANTED, AND HAS OUTSTANDING,
13 A LEASE OR OPTION TO BUY THE SURFACE RIGHTS]. A property owner wishing
14 to file for farm use classification having no history of farm-related
15 income may submit a declaration of intent at the time of filing the
16 application with the assessor setting out the intended use of the land
17 and the anticipated percentage of income. An applicant using this
18 procedure shall file with the assessor before February 1 of the follow-
19 ing year a notarized statement of the percentage of gross income attri-
20 butable to the farm use land. Failure to make the filing required in
21 this subsection forfeits the exemption.

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