

Offered: 4/13/74  
Referred: Rules

Original Sponsor: Kerttula,  
T. Miller, K. Miller, et al

1 IN THE SENATE

BY THE COMMUNITY AND REGIONAL  
AFFAIRS COMMITTEE

2 CS FOR SENATE BILL NO. 428

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 for  
7 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 included in a farm unit and not dedicated or being used for nonfarm  
12 purposes shall be assessed on the basis of full and true value for farm  
13 use, and shall not be assessed as if subdivided or used for some other  
14 nonfarm purpose. The assessor shall maintain [SEPARATE ASSESSMENT]  
15 records valuing [EVALUATING] the farm use land for both full and true  
16 value and farm use value [OTHER THAN FARM USE PURPOSES, WHERE APPLICABLE].  
17 Should the farm use land be sold, leased, or otherwise disposed of, for  
18 other than farm use purposes or be converted to nonfarm use by the owner,  
19 the owner shall be liable to pay an amount equal to the additional tax  
20 together with five per cent a year interest for the preceding seven years  
21 [TWO YEARS, AND THE APPLICABLE PORTION OF THE CURRENT TAX YEAR], as  
22 though the land had not been assessed for farm use purposes.

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

1 both lessee and lessor along with the completed application. The appli-  
2 cant shall furnish the assessor a copy of the lease covering the period  
3 for which the exemption is requested.

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

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

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