

Original sponsor: Rules Committee
by request of the Governor

Offered: 5/28/76
Referred: Rules

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 HOUSE CS FOR SENATE BILL NO. 529 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to property tax exemptions; and pro-
7 viding for an effective date."

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

9 * Section 1. AS 29.53.020(g) and (h) are amended to read:

10 (g) The state shall reimburse a borough or city, as appropriate,
11 for the real property tax revenues lost to it by the operation of (e)
12 of this section. However, reimbursement will be made to a borough or
13 city for revenue lost to it only to the extent that the loss exceeds
14 an exemption which was granted by the borough or city, or which upon
15 proper application by an individual would have been granted by the
16 borough or city, under sec. 25(a) of this chapter.

17 (h) Except as provided in (g) of this section, nothing [NOTHING]
18 in (e) - (i) of this section affects similar exemptions from property
19 taxes granted by municipalities on September 10, 1972 or prevents
20 municipalities from granting similar exemptions by ordinance as provided
21 in sec. 25 of this chapter. [HOWEVER, UNDER (e) - (i) OF THIS SECTION
22 ONLY THE AMOUNT OF REVENUE LOST TO THE MUNICIPALITY BY REASON OF THE
23 EXEMPTION AUTHORIZED IN THOSE PROVISIONS MAY BE REIMBURSED TO THE MUNI-
24 CIPALITY BY THE STATE.]

25 * Sec. 2. AS 29.53.035(a) is amended to read:

26 (a) Farm use lands included in a farm unit and not dedicated or
27 being used for nonfarm purposes shall be assessed on the basis of full
28 and true value for farm use, and shall not be assessed as if subdivided
29 or used for some other nonfarm purpose. The assessor shall maintain

1 records valuing the farm use land for both full and true value and farm
2 use value. Should the farm use land be sold, leased, or otherwise
3 disposed of [,] for uses incompatible with farm use [OTHER THAN FARM USE
4 PURPOSES] or be converted to a use incompatible with farm use [NONFARM
5 USE] by the owner, the owner shall be liable to pay an amount equal to
6 the additional tax at the current mill levy together with eight [FIVE]
7 per cent interest for the preceding seven years, as though the land had
8 not been assessed for farm use purposes. Payment by the owner shall be
9 made to the state to the extent of its reimbursement for revenue loss
10 under (e) of this section for the preceding seven years. The balance
11 of the payment shall be made to the city or borough. The Department of
12 Community and Regional Affairs shall, at the time of reimbursement, file
13 a lien on each farm unit in favor of the state for that unit's pro rata
14 portion of the amount reimbursed under this section. Each lien is
15 effective for seven years after the date it is filed.

16 * Sec. 3. AS 29.53.035(b) and (c) are amended to read:

17 (b) An owner of farm use land must, to secure the assessment,
18 make application to the assessor before February 1 of each year in which
19 the assessment is desired, but during the same year the governing body
20 of the municipality for good cause shown may waive the claimant's failure
21 to make timely application for the exemption for that year and authorize
22 the assessor to accept the application as if timely filed. The appli-
23 cation shall be made upon forms prescribed by the state assessor for the
24 use of the local assessor and shall include information which may
25 reasonably be required to determine the entitlement of the applicant.
26 If the farm use land is leased for farm use purposes, the applicant
27 shall furnish to the assessor a copy of the lease bearing the signatures
28 of both lessee and lessor along with the completed application. The
29 applicant shall furnish the assessor a copy of the lease covering the

1 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. To be farm use land, the owner or the lessee must
6 be actively engaged in farming the land [,] and derive a minimum of \$25
7 gross farm income per acre yearly or at least 10 per cent of his yearly
8 gross income from the farm use land except if a crop failure caused by
9 an act of God occurred the previous year the land is farm use land if
10 the owner or lessee submits an affidavit that at least 10 per cent of
11 his gross income or a minimum of \$25 gross farm income per acre was
12 derived from farming for each of the past three years. The provisions
13 of this section do not apply to land respecting which the owner has
14 granted, and has outstanding, a lease or option to buy the surface
15 rights. A property owner wishing to file for farm use classification
16 having no history of farm-related income may submit a declaration of
17 intent at the time of filing the application with the assessor setting
18 out the intended use of the land and the anticipated [PERCENTAGE OF]
19 income. An applicant using this procedure shall file with the assessor
20 before February 1 of the following year a notarized statement of the
21 [PERCENTAGE OF] gross income attributable to the farm use land. Failure
22 to make the filing required in this subsection forfeits the exemption.

23 * Sec. 4. Section 2 of this Act is retroactive to January 1, 1975.

24 * Sec. 5. This Act takes effect immediately in accordance with AS 01.10.-

25 070(c).
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