

1 IN THE SENATE

BY KERTTULA

2 SENATE BILL NO. 112

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to municipal taxation and finance;
7 and providing for an effective date."

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

9 * Section 1. AS 29.53.050(a) is amended to read:

10 (a) No municipality may levy and tax for any purpose in excess of
11 one [THREE] per cent of the limited assessed valuation of property
12 within the municipality as determined in accordance with sec. 65 of
13 this chapter in any one year.

14 * Sec. 2. AS 29.53 is amended by adding new sections to read:

15 Sec. 29.53.065. LIMITED ASSESSED VALUE. (a) The assessor shall
16 determine a limited assessed value as of January 1 of the assessment
17 year. The limited assessed value is,

18 (1) for the base year, the full and true value of the pro-
19 perty;

20 (2) for each subsequent assessment year, a value of the pro-
21 perty which does not exceed by five per cent the limited assessed value
22 of the property for the preceding assessment year.

23 (b) If improvements are made to property subject to the provisions
24 of this section, the full and true value of the improvement shall be
25 included in the determination of the limited assessed value in the year
26 in which the improvement is first included on the municipality's tax
27 roll.

28 (c) In this section, "base year" means the later of

29 (1) the year of inclusion of the property on the tax rolls of

1 the municipality for the first time; or

2 (2) the last complete assessment year of the municipality
3 preceding the year in which the provisions of this Act take effect.

4 Sec. 29.53.066. BASIS OF MUNICIPAL TAX LEVY. The limited assessed
5 value, determined by the municipal assessor under sec. 65 of this chap-
6 ter, is the basis for levy of property taxes by a municipality under
7 this chapter.

8 * Sec. 3. AS 29.53.100(a) is repealed and re-enacted to read:

9 (a) The assessor shall prepare an annual assessment roll. The
10 roll contains:

- 11 (1) a description of all taxable property;
12 (2) the actual assessed value of all taxable property;
13 (3) the limited assessed value of all taxable property,
14 determined in accordance with sec. 65 of this chapter; and
15 (4) the names and addresses of persons subject to assessment
16 and taxation.

17 * Sec. 4. AS 29.53.110(a) is amended to read:

18 (a) The assessor shall give every person named in the assessment
19 roll a notice of assessment, showing the actual assessed value and the
20 limited assessed value of his property. On each notice is printed a
21 brief summary of the dates when taxes are payable, delinquent, and sub-
22 ject to penalty and interest, and the dates when the board of equaliza-
23 tion will sit.

24 * Sec. 5. AS 29.53.400 is amended to read:

25 Sec. 29.53.400. POWER OF LEVY. Home rule and first class cities
26 within boroughs may levy a general property tax. A property tax, if
27 levied, shall be levied in the manner provided for borough levies in
28 sec. 170(a) of this chapter and is subject to secs. 10 - 25, 50 - 66
29 [55] and 310 - 350 of this chapter. The council shall by June 15 of

1 each year present to the borough assembly a statement of the city's
2 rate of levy, unless a different rate is agreed upon by the borough and
3 city.

4 * Sec. 6. AS 29.53.410 is amended to read:

5 Sec. 29.53.410. LIMITED PROPERTY TAXING POWER FOR SECOND CLASS
6 CITIES. A second class city may by referendum levy real and personal
7 property taxes as provided for first class cities. However, levy by a
8 second class city may not exceed one-half of one per cent of the
9 limited assessed valuation of the property taxed, determined in accor-
10 dance with sec. 65 of this chapter, except that the limit of levy does
11 not apply to a levy necessary to avoid a default upon payment of prin-
12 cipal and interest of bonded or other indebtedness which is secured by
13 a pledge to levy ad valorem or other taxes without limit to meet debt
14 payments.

15 * Sec. 7. AS 43.18 is amended by adding new sections to read:

16 ARTICLE 1A. STATE AID IN LIEU OF MUNICIPAL
17 PROPERTY TAX LEVY.

18 Sec. 43.18.060. PURPOSE. The purpose of secs. 60 - 80 of this
19 chapter is to provide state financial assistance to municipalities to
20 support the provision of local facilities and services while relieving
21 property taxpayers of a portion of the burden of financial support for
22 these services.

23 Sec. 43.18.070. COMPUTATION AND PAYMENT OF STATE ASSISTANCE. Each
24 fiscal year, the Department of Community and Regional Affairs shall pay
25 to a municipality an amount equal to the difference between the amount
26 annually appropriated by the assembly or council for the provision of
27 municipal services, planning and construction of capital improvements,
28 and payment of debt service, and the amount which would be returned to
29 the municipality by application of a levy of 10 mills to the full and

1 true value of property subject to assessment and levy under AS 29.53
2 and applicable municipal ordinance.

3 Sec. 43.18.080. PROGRAM ADMINISTRATION. The department shall
4 adopt regulations necessary to carry out the purposes of secs. 60 - 80
5 of this chapter.

6 * Sec. 8. AS 43.18.030(b) is amended to read:

7 (b) The governing body shall furnish the following notice with
8 tax statements mailed for the fiscal year for which aid is received
9 under this chapter:

10 "NOTICE TO TAXPAYER

11 For the current fiscal year the (city) (borough) has been allo-
12 cated the following amount of state aid for school and municipal
13 purposes under the Public School Foundation Program (Alaska
14 Statutes 14.17) and the revenue-sharing provisions of Alaska
15 Statutes 43.18:

16	SCHOOL AID	\$
17	AID BASED ON MUNICIPAL SERVICES FURNISHED	\$
18	(fire protection, police protection, air or	
19	water pollution control, land use planning,	
20	road maintenance, parks and recreation,	
21	transportation facilities and services,	
22	hospital or health facility operation)	
23	<u>AID BASED UPON LIMITED PROPERTY ASSESSMENT</u>	<u>\$</u>
24	Total Aid	\$

25 The millage equivalent of this state aid, based on the present
26 dollar value of a mill in the municipality, is mills."

27 * Sec. 9. AS 43.18.040 is amended to read:

28 Sec. 43.18.040. REGULATIONS. The Department of Community and
29 Regional Affairs shall adopt regulations necessary to carry out the

1 purposes of secs. 10 - 45 [99] of this chapter. The regulations shall
2 include minimum standards required to qualify a municipality for grants
3 for each service and provisions for a performance report adequate to
4 demonstrate to the department that each service for which credit was
5 allowed was actually performed by the municipality, at least at the
6 prescribed minimum level.

7 * Sec. 10. This Act takes effect on the January 1 next following the
8 close of the fiscal year in which the total annual net income received by the
9 state during the fiscal year from the following resource royalty and property
10 tax provisions exceeds \$500,000,000:

11 (1) oil and gas exploration, production, and pipeline transporta-
12 tion property taxes - AS 43.56;

13 (2) sale of state timber and minerals - AS 38.05.110 - 38.05.120;

14 (3) royalties from the production of coal - AS 38.05.150(d); and

15 (4) royalties from oil and gas production - AS 38.05.180.
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