

Introduced: 5/1/80  
Referred: Judiciary and  
Finance

BY THE RULES COMMITTEE  
BY REQUEST

1 IN THE SENATE

2 SENATE BILL NO. 582

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the assessment, levy and collection  
7 of property taxes on transient aircraft; and providing  
8 for an effective date."

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

10 \* Section 1. AS 44.25.020 is amended by adding a new paragraph to read:

11 (5) assess the value of transient aircraft in accordance with  
12 AS 29.53.038.

13 \* Sec. 2. AS 29.53 is amended by adding a new section to read:

14 Sec. 29.53.038. TRANSIENT AIRCRAFT. (a) The Department of Revenue  
15 shall assess the value of transient aircraft. The Department of Revenue  
16 shall determine the value of aircraft assessed under this section at its  
17 full and true value and shall determine the value of the aircraft as of  
18 January 1 annually.

19 (b) The Department of Revenue may require by notice each person  
20 having ownership or control of an interest in aircraft assessed under  
21 this section to submit a return in the form prescribed by the Department  
22 of Revenue, based on values existing on January 1 of each year. The  
23 Department of Revenue by written notice may require a person to provide  
24 additional information within 30 days of the notice.

25 (c) The Department of Revenue may investigate aircraft on which a  
26 return has been filed or on which no return has been filed. In either  
27 case, the department may make its own valuation of the aircraft, which  
28 is prima facie evidence of full and true value. An employee or agent of  
29 the Department of Revenue may enter an aircraft as necessary for the in-

1 investigation during reasonable hours and may examine appropriate records.  
2 When requested by an employee or agent of the Department of Revenue, the  
3 owner of the aircraft shall furnish to the employee or agent reasonable  
4 assistance required for the investigation. If refused entry, the Depart-  
5 ment of Revenue may seek a court order to compel entry. For the purpose  
6 of the investigation, the owner of the aircraft or his representative  
7 may be required to present himself for examination under oath by the  
8 Department of Revenue.

9 (d) The Department of Revenue shall prepare annually the assess-  
10 ment roll for taxation of transient aircraft by municipalities. The  
11 assessment roll shall contain

- 12 (1) a description of all aircraft assessed under this section;
- 13 (2) the assessed value of the aircraft;
- 14 (3) the names and addresses of persons owning aircraft

15 assessed under this section.

16 (e) On or before March 1 of each year, the Department of Revenue  
17 shall send to each owner of aircraft named in the assessment roll a  
18 notice of assessment, showing the assessed value of the aircraft.  
19 Notice of assessment is effective on the date of mailing.

20 (f) The Department of Revenue shall send to each municipality  
21 levying a real property tax a copy of the notice of assessment on air-  
22 craft which is assessed under this section.

23 (g) An owner of aircraft or a municipality receiving an assessment  
24 notice may object to the assessment by advising the Department of Revenue  
25 in writing of the objections to the assessment within 20 days of the  
26 effective date of the notice.

27 (h) The Department of Revenue shall provide by regulation for  
28 notices of appeals to interested persons and municipalities.

29 (i) Following an objection, the Department of Revenue may adjust

1 the assessment and the assessment roll. An adjustment based on an  
2 objection from an owner of aircraft or a municipality shall be made  
3 within 30 days of the effective date of the notice of assessment.

4 (j) After a ruling by the Department of Revenue on an appeal made  
5 under (g) of this section, the owner of aircraft or a municipality may  
6 appeal to the State Assessment Review Board. The appeal must be filed  
7 in writing within 20 days of the effective date of the notice of assess-  
8 ment. The State Assessment Review Board shall provide by regulation for  
9 notices of appeals to interested persons and municipalities.

10 (k) The State Assessment Review Board shall hear appeals filed  
11 under (i) of this section. A majority of the State Assessment Review  
12 Board constitutes a quorum required to transact business under this  
13 section. The State Assessment Review Board shall provide by regulation  
14 for notices of hearings to interested persons and municipalities. If an  
15 appellant fails to appear at the hearing, the State Assessment Review  
16 Board may proceed with the hearing in his absence. The appellant bears  
17 the burden of proof at a hearing under this subsection.

18 (l) The only grounds for adjustment of assessed value is proof of  
19 unequal, excessive or improper valuation or valuation not determined in  
20 accordance with the standards set out in this section, based on facts  
21 stated in a written appeal timely filed or proved at the hearing.

22 (m) The State Assessment Review Board shall certify its determina-  
23 tion of an appeal to the Department of Revenue within seven days of the  
24 hearing.

25 (n) An owner of aircraft or a municipality may appeal to the  
26 superior court for, and is entitled to, trial de novo of the action of  
27 the State Assessment Review Board.

28 (o) No later than June 1 of each year, the Department of Revenue  
29 shall certify the final assessment roll.

1 (p) The Department of Revenue shall include aircraft omitted from  
2 the assessment roll on a supplementary assessment roll, using the proce-  
3 dures set out in this section for the original assessment roll.

4 (q) In this section, "transient aircraft" means

5 (1) aircraft used in commerce by an air carrier to furnish  
6 transportation to the public for compensation, hire or lease;

7 (2) equipment included in aircraft described in (1) of this  
8 subsection; and

9 (3) ground cargo handling and containerization equipment  
10 which can be transported in aircraft described in (1) of this subsection  
11 and which is so transported.

12 \* Sec. 3. AS 29.53 is amended by adding a new section to read:

13 Sec. 29.53.162. LEVY AND COLLECTION OF PROPERTY TAX ON TRANSIENT  
14 AIRCRAFT. (a) A municipality may levy and collect property tax on  
15 transient aircraft only under this section.

16 (b) A municipality may levy a property tax on transient aircraft  
17 by applying the rate of levy, determined under AS 29.53.170(b), to a  
18 value for all transient aircraft under the same ownership determined by

19 (1) adding the value of all transient aircraft owned by the  
20 same taxpayer; and

21 (2) multiplying the value determined under (1) of this sub-  
22 section by the ratio of the number of landings of transient aircraft  
23 owned by the taxpayer in the municipality levying the tax during the  
24 year preceding the assessment year to the total number of landings of  
25 all transient aircraft owned by the taxpayer.

26 (c) In this section, "transient aircraft" means

27 (1) aircraft used in commerce by an air carrier to furnish  
28 transportation to the public for compensation, hire or lease;

29 (2) equipment included in aircraft described in (1) of this

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subsection; and

(3) ground cargo handling and containerization equipment which can be transported in aircraft described in (1) of this subsection and which is so transported.

\* Sec. 4. Notwithstanding any other provision of AS 29.53, an assessment return filed by the owner of transient aircraft under AS 29.53.070 for a municipality for the 1980 assessment year is valid for determining the tax due for that assessment year. If two or more municipalities levy a property tax on transient aircraft under AS 29.53 for the 1980 assessment year, the owner of the aircraft may ask the commissioner of revenue to determine the tax due to each municipality. Upon receipt of the request of the taxpayer, the commissioner of revenue shall apportion the tax due by applying to the assessment of transient aircraft reported to a municipality under AS 29.53.070 the amount determined under AS 29.53.162, added by sec. 3 of this Act.

\* Sec. 5. Sections 1 - 3 of this Act take effect January 1, 1981.

\* Sec. 6. Sections 4 - 6 of this Act take effect immediately in accordance with AS 01.10.070(c).