

Original sponsors: Miller, Duncan,
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Offered: 4/14/81
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 4 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to municipal taxes and state aid for
7 municipal tax reduction; and providing for an effective
8 date."

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

10 * Section 1. AS 29 is amended by adding a new chapter to read:

11 CHAPTER 92. STATE AID FOR MUNICIPAL TAX REDUCTION.

12 Sec. 29.92.010. STATE AID FOR MUNICIPAL TAX REDUCTION. (a)

13 During each fiscal year the Department of Community and Regional Affairs
14 shall compute an entitlement for each qualified municipality to be used
15 to reduce taxes levied by the municipality.

16 (b) The annual entitlement computed for each municipality is
17 determined by the application of the formula

18 Entitlement = 8.76 x per capita value x P

19 where:

20 per capita value = the full value of taxable real and personal
21 property within all the school districts in the state determined
22 in accordance with AS 14.17.140, excluding the assessed value of
23 oil and gas exploration, production and pipeline transportation
24 property subject to taxation under AS 43.56, divided by the popula-
25 tion of the state;

26 and

27 P = the total population of the municipality during the year for
28 which the entitlement is being computed.

29 Sec. 29.92.020. QUALIFICATIONS. (a) A municipality which does

1 not levy property or sales and use taxes qualifies for an entitlement
2 under this chapter. Subject to (b) of this section, to qualify for an
3 entitlement a municipality which levies taxes must collect no more from
4 the levy of taxes, excluding taxes levied on oil and gas production and
5 pipeline property under AS 29.53.045, than the amount of money collected
6 in 1980 from the levy of taxes on all sources, excluding taxes levied
7 under AS 29.53.045, reduced by the amount of the entitlement.

8 (b) Subject to other provisions of AS 29.53, a municipality may
9 increase the amount of money collected from the levy of taxes each year
10 and still be eligible for an entitlement if

11 (1) the amount of money collected per capita from the levy
12 of taxes, excluding taxes levied under AS 29.53.045, is not more than
13 two percent plus the annual percent of increase in the consumer price
14 index greater than the amount of money collected per capita from the
15 levy of taxes, excluding taxes levied under AS 29.53.045, during the
16 previous year;

17 (2) the amount of money collected from the levy of taxes is
18 greater than the amount permitted under (1) of this subsection and the
19 increase in the rate of levy is approved by the voters who are subject
20 to the increase;

21 (3) a new tax is levied which has been approved by the
22 voters who are subject to the new tax.

23 Sec. 29.92.030. DETERMINATION OF POPULATION. For purposes of
24 this chapter, the population of a municipality shall be determined from
25 the latest figures of the United States Bureau of the Census or other
26 population data which in the judgment of the department is reliable.
27 For purposes of determining the population of a home rule or general
28 law borough, the population of each city located within the boundaries
29 of the borough shall be subtracted from the population of the borough.

1 Sec. 29.92.040. MUNICIPAL TAX REDUCTION ACCOUNT. The municipal
2 tax reduction account is established in the department. Money to carry
3 out the provisions of this chapter shall be appropriated to the account
4 and distributed by the department as authorized under AS 29.92.010. If
5 the amount appropriated to the account is not sufficient to finance all
6 entitlements, the amount appropriated shall be distributed pro rata
7 among qualified municipalities.

8 Sec. 29.92.050. NOTICE TO TAXPAYER. (a) If a municipality
9 levies real or personal property taxes, the governing body shall provide
10 the following information with the tax statement:

11 (1) the total amount of taxes payable before the amount is
12 reduced as a result of the receipt by the municipality of an entitlement
13 under this chapter;

14 (2) the amount of a reduction in taxes payable as a result
15 of the receipt of an entitlement; and

16 (3) the amount of taxes payable by the taxpayer.

17 (b) A municipality which levies a sales and use tax shall provide
18 the following notice:

19 "NOTICE TO TAXPAYER

20 For the current fiscal year, the (city) (borough) estimates expend-
21 itures to provide municipal services total \$_____.

22 The State of Alaska has provided \$_____ as state aid for
23 municipal tax reduction (AS 29.92)."

24 Notice shall be provided by

25 (1) publishing in a newspaper of general circulation a copy
26 of the notice once each week for a period of three successive weeks,
27 with publication to occur not later than 45 days after the final adop-
28 tion of the municipality's budget; or

29 (2) if there is no newspaper of general circulation within

7 the municipality, by posting a copy of the notice in three public
8 places not later than 45 days after the final adoption of the municipi-
9 pality's budget.

4 Sec. 29.92.060. DEFINITIONS. In this chapter

5 (1) "consumer price index" means the most recent consumer
6 price index for Anchorage published by the United States Department of
7 Labor, Bureau of Labor Statistics;

8 (2) "department" means the Department of Community and
9 Regional Affairs;

10 (3) "municipality" means a home rule or general law city or
11 borough, or a unified municipality incorporated under the laws of the
12 state.

13 * Sec. 2. This Act takes effect July 1, 1981.