

Introduced: 2/4/81
Referred: Community & Regional
Affairs and Finance

1 IN THE HOUSE

BY RANDOLPH

2 HOUSE BILL NO. 22

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 state aid for municipalities;
7 establishing the Alaska local property tax program;
8 and providing for an effective date."

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

10 * Section 1. AS 29.53.010 is amended to read:

11 Sec. 29.53.010. GENERAL PROPERTY TAX. (a) A home [HOME] rule or
12 [AND] general law borough [BOROUGH] may levy

13 (1) an areawide property tax for areawide functions, and

14 (2) a property tax limited to the area outside cities for
15 functions limited to the area outside cities. A property tax if levied
16 must be assessed, levied and collected on real and personal property as
17 provided in this chapter.

18 (b) In place of levying the property tax, a borough may partici-
19 part in the Alaska local property tax relief program (AS 29.92).

20 * Sec. 2. AS 29 is amended by adding a new chapter to read:

21 CHAPTER 92. ALASKA LOCAL PROPERTY TAX RELIEF PROGRAM.

22 Sec. 29.92.010. ALASKA LOCAL PROPERTY TAX RELIEF PROGRAM. The
23 Alaska local property tax relief program is established to provide
24 state aid to municipalities in place of money raised by levying taxes
25 on property. An entitlement from the Alaska local property tax relief
26 program may be used by a municipality for all purposes for which the
27 municipality is authorized to use money raised from property taxes.

28 Sec. 29.92.020. APPLICATION. (a) Each year a municipality may
29 apply to the department for an entitlement from the Alaska local prop-

erty tax relief program. Assessments of property of the municipality, made in accordance with AS 29.53.060, shall be supplied together with financial statements required by the department for the year for which an application is filed.

(b) A municipality which applies under this section may not impose or collect property taxes during the year for which the entitlement is sought.

Sec. 29.92.030. REVIEW. The department shall review each application for an entitlement from the Alaska local property tax relief program. If the commissioner determines that the property assessments contained in an application do not meet the requirements of AS 29.53.060, he may adjust the assessments and notify the municipality in writing.

Sec. 29.92.040. ENTITLEMENTS. (a) An entitlement from the Alaska local property tax relief program shall equal the total property assessments accepted or adjusted by the commissioner times the millage rate in effect in the municipality on December 1, 1980. If a municipality has more than one millage rate in effect, the assessment to which each rate is applied shall be multiplied by the rate and the entitlement shall be the total of the results of those calculations.

(b) An entitlement shall be reduced by the amount of money received that year by the municipality from

(1) an increase in the rate of levy for a municipal tax over the rate in effect on December 1, 1980;

(2) an increase in municipal license or permit fees over those in effect on December 1, 1980, in excess of the percentage of increase in the consumer price index since December 1, 1980;

(3) an increase in fees over those in effect on December 1, 1980, for a municipal service in excess of the percentage of increase in the consumer price index since December 1, 1980, and not justified

1 by an increase in the cost of providing the service;

2 (4) municipal taxes, fees, licenses, or permits enacted
3 after December 1, 1980.

4 (c) An entitlement may not be reduced because of

5 (1) payments received by a municipality from the state or
6 federal government;

7 (2) an increase in fees or charges for a municipal service
8 justified by an increase in the cost of providing the service;

9 (3) receipt of money from the sale or lease of property by
10 the municipality.

11 Sec. 29.92.050. ALASKA LOCAL PROPERTY TAX RELIEF ACCOUNT. The
12 Alaska local property tax relief account is established. Money to
13 carry out the provisions of this chapter shall be allocated by the
14 department to the account from appropriations for the purpose. If
15 appropriations are not sufficient to pay the entitlements, the amount
16 allocated to the account shall be distributed by the department pro
17 rata among eligible municipalities.

18 Sec. 29.92.060. ADMINISTRATION. (a) The department may adopt
19 regulations necessary to implement this chapter. The regulations shall
20 include

21 (1) procedures and filing dates for submitting applications
22 and financial reports;

23 (2) procedures for obtaining information required to review
24 assessments and financial reports supplied by a municipality.

25 (b) The department shall make reasonable efforts to advise and
26 assist a municipality in collecting information and completing applica-
27 tions necessary for the determination of an entitlement under this
28 chapter.

29 (c) Each year the department shall project the amount needed to

1 fully fund the Alaska local property tax relief program and shall
2 request an appropriation of that amount from the legislature.

3 Sec. 29.92.070. JUDICIAL REVIEW. A decision made by the depart-
4 ment under this chapter may be appealed to the superior court within 60
5 days after the decision is made.

6 Sec. 29.92.080. DEFINITION. In this chapter "department" means
7 the Department of Community and Regional Affairs.

8 * Sec. 3. This Act takes effect July 1, 1981.
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