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Referred: Community &
Regional Affairs and Finance

1 IN THE SENATE

BY FERGUSON AND STIMSON

2 SPONSOR SUBSTITUTE FOR SENATE BILL NO. 228

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act providing a partial exemption from assessment
7 for levy and collection of property taxes on resi-
8 dential property, and authorizing payments to munici-
9 palities for revenues lost because of the exemption;
10 and providing for an effective date."

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

12 * Section 1. AS 29.53.020(a) is amended by adding a new paragraph to
13 read:

14 (9) the real property owned and occupied as a permanent
15 place of abode by a resident, not exceeding the value determined in
16 AS 29.53.022.

17 * Sec. 2. AS 29.53.020(e) is amended to read:

18 (e) The real property owned and occupied as a permanent place of
19 abode by a resident 65 years of age or over is exempt from taxation of
20 the assessed value of the real property which exceeds the exemption
21 granted by (a)(9) of this section. Only one exemption may be granted
22 with respect to the same property and, if two or more persons are
23 eligible for an exemption with respect to the same property, the parties
24 shall decide between or among themselves which shall receive the benefit
25 of the exemption. No real property may be exempted under this subsec-
26 tion which the assessor determines, after notice and hearing to the
27 parties concerned, has been conveyed to the applicant primarily for the
28 purpose of obtaining the exemption. The determination of the assessor
29 is appealable under AS 44.62.560 - 44.62.570.

1 * Sec. 3. AS 29.53.020(g) is amended to read:

2 (g) The state shall reimburse a borough or city, as appropriate,
3 for the real property tax revenues lost to it by the operation of
4 (a)(9) and (e) of this section. However, reimbursement will be made to
5 a borough or city for revenue lost to it only to the extent that the
6 loss exceeds an exemption which was granted by the borough or city [,
7 OR WHICH UPON PROPER APPLICATION BY AN INDIVIDUAL WOULD HAVE BEEN
8 GRANTED BY THE BOROUGH OR CITY, UNDER AS 29.53.025(a)].

9 * Sec. 4. AS 29.53 is amended by adding a new section to read:

10 Sec. 29.53.022. DETERMINATION OF RESIDENTIAL REAL PROPERTY TAX
11 EXEMPTION. (a) The exemption of real property owned and occupied as a
12 permanent place of abode allowed under AS 29.53.020(a)(9) may not
13 exceed the base rate set out in (b) of this section multiplied by an
14 area cost-of-living differential. Each area cost-of-living differential
15 used to determine the exemption shall reflect the comparative cost of
16 living in the regions of the state as developed under AS 39.27.030.
17 The area cost-of-living differential to be used by a municipality in
18 determining the exemption shall be annually established by the depart-
19 ment for each municipality which levies and collects property taxes.

20 (b) The base rate for residential real property tax exemptions is
21 \$85,000.

22 * Sec. 5. AS 29.53.025(a) is repealed.

23 * Sec. 6. This Act takes effect January 1, 1982.