

Offered: 3/29/84
Referred: Resources

Original sponsor: Koponen

1 IN THE HOUSE

BY THE COMMUNITY AND REGIONAL
AFFAIRS COMMITTEE

2

CS FOR HOUSE BILL NO. 625 (C&RA)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act relating to municipal taxation of agricul-
7 tural land; and providing for an effective date."

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

9 * Section 1. AS 29.53.035(a) is amended to read:

10 (a) Farm use lands included in a farm unit and not dedicated or
11 being used for nonfarm purposes shall be assessed on the basis of full
12 and true value for farm use, and shall not be assessed as if subdivi-
13 ded or used for some other nonfarm purpose. The assessor shall
14 maintain records valuing the farm use land for both full and true
15 value and farm use value. Should the farm use land be sold, leased,
16 or otherwise disposed of for uses incompatible with farm use or be
17 converted to a use incompatible with farm use by the owner, the owner
18 is liable to pay an amount equal to the additional tax [AT THE CUR-
19 RENT MILL LEVY TOGETHER WITH EIGHT PERCENT INTEREST] for the preceding
20 seven years [,] as though the land had not been assessed for farm use
21 purposes, together with simple interest at the prime rate on January 1
22 of the year the additional tax is due, as determined by the Alaska
23 Housing Finance Corporation, plus one percent. Payment by the owner
24 shall be made to the state. If the state has not made full [TO THE
25 EXTENT OF ITS] reimbursement for revenue loss under (e) of this sec-
26 tion for the preceding seven years, the state shall pay that portion
27 of the payment to the municipality that is necessary to fully reim-
28 burse it together with a proportional share of the interest [. THE
29 BALANCE OF THE PAYMENT SHALL BE MADE TO THE CITY OR BOROUGH].

1 * Sec. 2. AS 29.53.035(b) is amended to read:

2 (b) An owner of farm use land must, to secure the assessment,
3 make application to the assessor before May 15 of each year in which
4 the assessment is desired. During the same year, however, the govern-
5 ing body of the municipality may for good cause shown waive the
6 owner's failure to make timely application for the assessment for that
7 year and authorize the assessor to accept the application as if timely
8 filed. The application shall be made upon forms prescribed by the
9 state assessor for the use of the local assessor and shall include
10 information that [WHICH] may reasonably be required to determine the
11 entitlement of the applicant. If the farm use land is leased for farm
12 use purposes, the applicant shall furnish to the assessor a copy of
13 the lease bearing the signatures of both lessee and lessor along with
14 the completed application. The applicant shall furnish the assessor a
15 copy of the lease covering the period for which the exemption is
16 requested.

17 * Sec. 3. AS 29.53.035(c) is amended to read:

18 (c) In this section "farm use" means the use of land for raising
19 and harvesting crops, [OR FOR] the feeding, breeding and management of
20 livestock, [OR FOR] dairying or another agricultural use, [FOR PROFIT]
21 or any combination of them [THEREOF]. To be farm use land, the owner
22 or the lessee must be actively engaged in farming the land [, AND
23 DERIVE AT LEAST 10 PER CENT OF HIS YEARLY GROSS INCOME FROM THE FARM
24 USE LAND]. The provisions of this section do not apply to land re-
25 specting which the owner has granted, and has outstanding, a lease or
26 option to buy the surface rights. A property owner wishing to file
27 for farm use classification having no history of farm-related activi-
28 ties [INCOME] may submit a declaration of intent at the time of filing
29 the application with the assessor setting out the intended use of the

1 land [AND THE ANTICIPATED PERCENTAGE OF INCOME]. An applicant using
2 this procedure shall file with the assessor before February 1 of the
3 following year a notarized statement detailing the farm use activities
4 on the farm use land [OF THE PERCENTAGE OF GROSS INCOME ATTRIBUTABLE
5 TO THE FARM USE LAND]. Failure to make the filing required in this
6 subsection forfeits the exemption.

7 * Sec. 4. AS 29.53.035(e) is amended to read:

8 (e) Subject to legislative appropriations for the purpose, the
9 state shall reimburse a borough or city, as appropriate, for the real
10 property tax revenues lost to it by the operation of this section.
11 Reimbursement under this subsection is a lien in favor of the state
12 against the farm use land to the extent of the deferred tax and
13 interest that may be collected under (a) of this section. Upon
14 recordation in the recording office of the district in which the farm
15 use land is located, the lien is prior and superior to other liens
16 against the property except for general taxes or special assessments
17 and may be enforced by lien foreclosure. The lien becomes immediately
18 due and payable when the property is converted to a use incompatible
19 with farm use.

20 * Sec. 5. AS 29.53.035(d) is repealed.

21 * Sec. 6. This Act takes effect January 1, 1985.