

Offered: 4/16/84  
Referred: Finance

Original sponsor: Community and Regional  
Affairs Committee

1 IN THE SENATE BY THE STATE AFFAIRS COMMITTEE  
2 CS FOR SENATE BILL NO. 527 (State Affairs)  
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 state and municipal tax exemp-  
7 tions; and providing for an effective date."

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

9 \* Section 1. AS 28.10.411(c) is amended to read:

10 (c) A resident 65 years of age or older on the date that the tax  
11 is due is entitled to an exemption from the tax levied under AS 28.-  
12 10.431(b) and the registration fee required [TAX] under this section  
13 for one motor vehicle subject to registration under AS 28.10.421(b)-  
14 (1), (2), (5), or (6). An [. NO] exemption may not be granted except  
15 upon written application for the exemption on a form prescribed by the  
16 department.

17 \* Sec. 2. AS 28.10.411(d) is repealed and reenacted to read:

18 (d) The Department of Community and Regional Affairs shall  
19 reimburse a municipality that elects to levy a tax under AS 28.10.431  
20 for revenues lost because of the exemption from the tax provided by  
21 (c) of this section. If appropriations are less than the amount  
22 necessary for full reimbursement to all municipalities under this  
23 section, payments to all municipalities entitled to receive reimburse-  
24 ment under this section shall be prorated.

25 \* Sec. 3. AS 29.53.020(a) is amended to read:

26 (a) The following property is exempt from general taxation:

27 (1) municipal, state or federally owned property, except  
28 that private leaseholds, contracts or other interest in the property  
29 shall be taxable to the extent of those interests;

- 1           (2) household furniture of the head of a family or a house-  
2 holder not exceeding \$500 in value;
- 3           (3) property used exclusively for nonprofit religious,  
4 charitable, cemetery, hospital or educational purposes;
- 5           (4) property of a nonbusiness organization composed en-  
6 tirely of persons with 90 days or more of active service in the armed  
7 forces of the United States whose conditions of service and separation  
8 were other than dishonorable, or the property of the auxiliary of such  
9 organization;
- 10           (5) money on deposit;
- 11           (6) the real property of certain residents of the state to  
12 the extent and subject to the conditions provided in (e) of this  
13 section;
- 14           (7) real property to the extent and subject to the condi-  
15 tions provided in (j) of this section;
- 16           (8) inventories located within a foreign trade zone estab-  
17 lished under AS 45.77.010, before those inventories are cleared by the  
18 United States Customs Service and admitted into domestic commerce;
- 19           (9) real property or an interest in real property that is  
20 exempt from taxation under 43 U.S.C. 1620(d), as amended;
- 21           (10) a motor vehicle of certain residents of the state to  
22 the extent and subject to the conditions provided in (m) of this  
23 section.

24 \* Sec. 4. AS 29.53.020(e) is amended to read:

- 25           (e) The real property owned and occupied as a permanent place of  
26 abode by a resident 65 years of age or over is exempt from taxation of  
27 the assessed value of the real property. Only one exemption may be  
28 granted with respect to the same property and, if two or more persons  
29 are eligible for an exemption with respect to the same property, the

1 parties shall decide between or among themselves which shall receive  
2 the benefit of the exemption. The surviving spouse of a person who  
3 had been receiving the benefits of an exemption may continue to re-  
4 ceive the benefits of the exemption if the surviving spouse is at  
5 least 55 years of age. Real [NO REAL] property that [MAY BE EXEMPTED  
6 UNDER THIS SUBSECTION WHICH] the assessor determines, after notice and  
7 hearing to the parties concerned, has been conveyed to the applicant  
8 primarily for the purpose of obtaining the exemption may not be ex-  
9 empted under this subsection. The determination of the assessor is  
10 appealable under AS 44.62.560 - 44.62.570.

11 \* Sec. 5. AS 29.53.020(f) is amended to read:

12 (f) An [NO] exemption may not be granted except upon written  
13 application for the exemption on a form prescribed by the state asses-  
14 sor for use by local assessors. The claimant must file the applica-  
15 tion no later than January 15 of the assessment year for which the  
16 exemption is sought, but during the same year the governing body of  
17 the municipality for good cause shown may waive the claimant's failure  
18 to make timely application for the exemption for that year and author-  
19 ize the assessor to accept the application as if timely filed. The  
20 claimant must file a separate application for each exemption and for  
21 each assessment year in which the exemption is sought. The assessor  
22 shall allow an exemption if [IF] an application is filed within the  
23 required time and [IS APPROVED BY THE ASSESSOR, HE SHALL ALLOW AN  
24 EXEMPTION] in accordance with the provisions of this section. If a  
25 claimant whose failure to file by January 15 of the assessment year  
26 has been waived under [AS PROVIDED IN] this subsection and the appli-  
27 cation for exemption is approved, the amount of tax that [WHICH] the  
28 claimant may have already paid for the assessment year with respect to  
29 the property exempted shall be refunded to the claimant [HIM]. The

1        assessor may at any time require proof in the form considered [HE  
2        CONSIDERS] necessary of the right and amount of an exemption claimed  
3        under this section.

4        \* Sec. 6. AS 29.53.020 is amended by adding new subsections to read:

5            (m) The motor vehicle owned by a resident 65 years of age or  
6        older on January 1 of the assessment year is exempt from the property  
7        tax levied by a municipality under AS 29.53.010. Only one exemption  
8        may be granted for the same motor vehicle and, if two or more persons  
9        are eligible for an exemption for the same property, the parties shall  
10       decide who shall receive the exemption. A motor vehicle that the  
11       assessor determines after notice and hearing to the parties concerned  
12       has been conveyed to the applicant primarily for the purpose of ob-  
13       taining the exemption may not be exempted under this subsection.

14            (n) The state shall reimburse a municipality for the revenue  
15       lost to it under (m) of this section. To the extent that a municipal-  
16       ity exempts motor vehicles from taxation under AS 29.53.025(b)(4) that  
17       would otherwise be exempt under this section, no reimbursement will be  
18       made under this subsection.

19            (o) If appropriations made for the purpose of reimbursement to a  
20       municipality under (g) and (n) of this section are inadequate to  
21       provide full reimbursement to each municipality entitled to reimburse-  
22       ment, payments to all municipalities entitled to receive reimbursement  
23       under this section shall be prorated.

24        \* Sec. 7. AS 29.73.060 is amended by adding a new subsection to read:

25            (e) If appropriations made for the purpose of implementing this  
26       section are inadequate to provide full property tax equivalency pay-  
27       ments to each resident of the state entitled to receive a payment  
28       under this section, payments to each resident entitled to receive a  
29       payment under this section shall be prorated.

1 \* Sec. 8. This Act takes effect January 1, 1985.