

Offered: 5/17/84
Referred: Rules

Original sponsor: Community and Regional
Affairs Committee

1 IN THE SENATE BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 527 (Finance)

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 January 1 of the
11 assessment year is entitled to an exemption from the tax levied under
12 AS 28.10.431(b) and the registration fee required [TAX] under this
13 section for one motor vehicle subject to registration under AS 28.-
14 10.421(b)(1), (2), (5), or (6). An [. NO] exemption may not be gran-
15 ted except upon written application for the exemption on a form pre-
16 scribed by the 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 AS 28.10.411(d) is repealed and reenacted to read: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) as amended by sec. 1, ch. 40, SLA 1984 is
25 amended to read:

26 (e) The real property owned and occupied as a permanent place of
27 abode by a resident 65 years of age or over or by a disabled veteran
28 is exempt from taxation of the first \$150,000 of the assessed value of
29 the real property. A municipality may, in the case of hardship to an

1 individual, provide for exemption beyond the first \$150,000 of as-
2 essed value under regulations of the Department of Community and
3 Regional Affairs. Only one exemption may be granted for the same
4 property and, if two or more persons are eligible for an exemption for
5 the same property, the parties shall decide between or among them-
6 selves which shall receive the benefit of the exemption. The surviv-
7 ing spouse of a person who had been receiving the benefits of an
8 exemption may continue to receive the benefits of the exemption if the
9 surviving spouse is at least 55 years of age. Real property may not
10 be exempted under this subsection if the assessor determines, after
11 notice and hearing to the parties concerned, that the property was
12 conveyed to the applicant primarily for the purpose of obtaining the
13 exemption. The determination of the assessor may be appealed under
14 AS 44.62.560 - 44.62.570.

15 * Sec. 5. AS 29.53.020(f) as amended by sec. 2, ch. 40, SLA 1984 is
16 amended to read:

17 (f) An exemption may not be granted except upon written applica-
18 tion for the exemption on a form approved by the state assessor for
19 use by local assessors. The claimant must file the application no
20 later than January 15 of the assessment year for which the exemption
21 is sought, but during the same year the governing body of the munic-
22 ipality for good cause shown may waive the claimant's failure to make
23 timely application for the exemption for that year and authorize the
24 assessor to accept the application as if timely filed. The claimant
25 must file a separate application for each exemption and for each
26 assessment year in which the exemption is sought. The assessor shall
27 allow an exemption if [IF] an application is filed within the required
28 time and [IS APPROVED BY THE ASSESSOR, THE ASSESSOR SHALL ALLOW AN
29 EXEMPTION] in accordance with the provisions of this section. If a

1 claimant whose failure to file by January 15 of the assessment year
2 has been waived under [AS PROVIDED IN] this subsection and the appli-
3 cation for exemption is approved, the amount of tax that the claimant
4 may have already paid for the assessment year with respect to the
5 property exempted shall be refunded to the claimant. The assessor
6 shall require proof in the form the assessor considers necessary of
7 the right to and amount of an exemption claimed under this section,
8 and shall require a disabled veteran claiming an exemption under (e)
9 of this section to provide evidence of the disability rating. The
10 assessor may require proof under this section at any time.

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

12 (m) One motor vehicle owned by a resident 65 years of age or
13 older on January 1 of the assessment year is exempt from the property
14 tax levied by a municipality under AS 29.53.010. Only one exemption
15 may be granted for the same motor vehicle and, if two or more persons
16 are eligible for an exemption for the same motor vehicle, the parties
17 shall decide who shall receive the exemption. A motor vehicle that
18 the assessor determines after notice and hearing to the parties con-
19 cerned has been conveyed to the applicant primarily for the purpose of
20 obtaining the exemption may not be exempted under this subsection.

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

26 (o) If appropriations made for the purpose of reimbursement to a
27 municipality under (g) and (n) of this section are inadequate to
28 provide full reimbursement to each municipality entitled to reimburse-
29 ment, payments to all municipalities entitled to receive reimbursement

1 under this section shall be prorated.

2 * Sec. 7. AS 29.73.060(c) as amended by sec. 4, ch. 40, SLA 1984 is
3 amended to read:

4 (c) To obtain a tax equivalency payment the eligible resident
5 must apply to the department for payment for the preceding year by
6 January 15 of each year on forms and in the manner prescribed by the
7 department. The department for good cause shown may waive an appli-
8 cant's failure to make timely application for a tax equivalency pay-
9 ment for that year and accept the application as if timely filed.
10 Each applicant shall submit with the application rental receipts or,
11 if rental receipts are not available, other evidence satisfactory to
12 the department for determination of the fact of payment of rent and
13 the amount paid. A disabled veteran shall submit with the application
14 evidence of the disability rating.

15 * Sec. 8. AS 29.73.060 is amended by adding a new subsection to read:

16 (f) If appropriations made for the purpose of implementing this
17 section are inadequate to provide full property tax equivalency pay-
18 ments to each resident of the state entitled to receive a payment
19 under this section, payments to each resident entitled to receive a
20 payment under this section shall be prorated.

21 * Sec. 9. AS 29.73.062(b), as enacted by sec. 5, ch. 40, SLA 1984, is
22 amended to read:

23 (b) The amount of reimbursement payment under this section
24 equals the amount of sales taxes paid on the abode during the preced-
25 ing year by the eligible resident. If appropriations are less than
26 the amount necessary for full reimbursement to all eligible residents
27 under this section, payments to residents entitled to receive reim-
28 bursements shall be prorated.

29 * Sec. 10. This Act takes effect January 1, 1985.