

Introduced: 4/22/85
Referred: Community & Regional
Affairs, Resources and Finance

1 IN THE HOUSE

BY DAVIS

2 SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 11

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST 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 may [SHALL] not be assessed as if
13 subdivided 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. If [SHOULD] the farm use land is [BE] sold,
16 leased, or otherwise disposed of for uses incompatible with farm use
17 or is [BE] converted to a use incompatible with farm use by the owner,
18 the owner is liable to pay an amount equal to the additional tax [AT
19 THE CURRENT MILL LEVY TOGETHER WITH EIGHT PERCENT INTEREST] for the
20 preceding seven years [,] as though the land had not been assessed for
21 farm use purposes, together with simple interest at the prime rate on
22 January 1 of the year the additional tax is due, as determined by the
23 Alaska Housing Finance Corporation, plus one percent. Payment by the
24 owner shall be made to the state to the extent of its reimbursement
25 for revenue loss under (e) of this section for the preceding seven
26 years. The balance of the payment shall be made to the municipality
27 [CITY OR BOROUGH].

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

29 (b) An owner of farm use land must, to secure the assessment,

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

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

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

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

6 * Sec. 4. AS 29.53.035(d) is repealed.

7 * Sec. 5. This Act takes effect January 1, 1986.