

Introduced: 1/30/85  
Referred: Community & Regional Affairs  
and Finance

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

1 IN THE SENATE

2

SENATE BILL NO. 113

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 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 as-  
11 essment 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 28.10.-  
14 421(b)(1), (2), (5), or (6). An 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 AS 28.10.411(d) is repealed and reenacted to read: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 reim-  
19 burse a municipality that elects to levy a tax under AS 28.10.431 for  
20 revenues lost because of the exemption from the tax provided by (c) of  
21 this section. If appropriations are less than the amount necessary  
22 for full reimbursement to all municipalities under this section, pay-  
23 ments to all municipalities entitled to receive reimbursement under  
24 this section must 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 entire-  
6 ly 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 sec-  
23 tion.

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 older [OVER] or by a disabled  
27 veteran is exempt from taxation of the first \$200,000 of the assessed  
28 value of the real property. A municipality may, in the case of hard-  
29 ship to an individual, provide for exemption beyond the first \$200,000

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

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

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

1 application for exemption is approved, the amount of tax that the  
2 claimant may have already paid for the assessment year with respect to  
3 the property exempted must [SHALL] be refunded to the claimant. The  
4 assessor shall require proof in the form the assessor considers neces-  
5 sary of the right to and amount of an exemption claimed under this  
6 section, and shall require a disabled veteran claiming an exemption  
7 under (e) of this section to provide evidence of the disability rat-  
8 ing. The assessor may require proof under this section at any time.

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

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

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

24 (o) If appropriations made for the purpose of reimbursement to a  
25 municipality under (g) and (n) of this section are inadequate to pro-  
26 vide full reimbursement to each municipality entitled to reimburse-  
27 ment, payments to all municipalities entitled to receive reimbursement  
28 under this section must be prorated.

29 \* Sec. 7. AS 29.73.060(c) is amended to read:

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

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

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

18 \* Sec. 9. AS 29.73.062(b) is amended to read:

19           (b) The amount of a reimbursement payment under this section  
20 equals the amount of sales taxes paid on the abode during the preced-  
21 ing year by the eligible resident. If appropriations are less than  
22 the amount necessary for full reimbursement to all eligible residents  
23 under this section, payments to residents entitled to receive reim-  
24 bursments must be prorated.

25 \* Sec. 10. This Act takes effect January 1, 1986.