

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2

HOUSE BILL NO.159

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to exemptions from, deferments of,

7

and payments relating to, municipal property taxes;

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and providing for an effective date."

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

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* Section 1. AS 29.45.030(k) is amended to read:

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(k) The department shall adopt regulations to implement the

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provisions of [(g) AND] (j) of this section.

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* Sec. 2. AS 29.45.050(a) is amended to read:

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(a) A municipality may exclude or exempt or partially exempt

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residential property from taxation by ordinance approved [RATIFIED] by

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the voters at an election. Except as provided in (i) of this section,

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an [AN] exclusion or exemption authorized by this section may not

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exceed the assessed value of \$10,000 for any one residence.

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* Sec. 3. AS 29.45.050(i) is amended to read:

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(i) Notwithstanding (a) of this section, a [A] municipality may,

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by ordinance approved by the voters, exempt or partially exempt from

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taxation the assessed value [THAT EXCEEDS \$150,000] of real property

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owned and occupied as a permanent place of abode by a resident who is

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(1) 65 years of age or older;

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(2) a disabled veteran; or

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(3) at least 60 years old and a widow or widower of a per-

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son who qualified for an exemption under (1) or (2) of this subsec-

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tion.

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* Sec. 4. AS 29.45.060(a) is repealed and reenacted to read:

1 (a) A municipality may, by ordinance approved by the voters,
2 assess farm use land on the basis of full and true value for farm use.

3 * Sec. 5. AS 29.45.060(c) is amended to read:

4 (c) In this section "farm use" means the use of land for profit
5 for raising and harvesting crops, for the feeding, breeding, and man-
6 agement of livestock, for dairying, or another agricultural use, or
7 any combination of these. To be farm use land, the land must be in-
8 cluded in a farm unit and must not be dedicated to or used for nonfarm
9 purposes. The [THE] owner or lessee must be actively engaged in
10 farming the land, and derive at least 10 percent of yearly gross
11 income from the land. This section does not apply to land for which
12 the owner has granted, and has outstanding, a lease or option to buy
13 the surface rights. A property owner who wishes [WISHING] to file for
14 farm use classification, but who has [HAVING] no history of farm-
15 related income, may submit a declaration of intent at the time of
16 filing the application with the local assessor, setting out the in-
17 tended use of the land and the anticipated percentage of income. An
18 applicant using this procedure shall file with the local assessor
19 before February 1 of the following year a notarized statement of the
20 percentage of gross income attributable to the land. Failure to make
21 the filing required in this subsection forfeits the exemption.

22 * Sec. 6. AS 29.45.060 is amended by adding a new subsection to read:

23 (f) If farm use land that was assessed on the basis of full and
24 true value for farm use before May 16, 1987, is leased, sold, or
25 otherwise disposed of by the owner for uses incompatible with farm
26 use, the owner is liable to pay an amount equal to the additional tax
27 at the current mill levy, together with eight percent interest for the
28 preceding seven years, as though the land had not been assessed for
29 farm use purposes. Payment by the owner must be made to the state to

1 the extent of its reimbursement of the municipality's revenue loss for
2 the preceding seven years. The balance of the payment must be made to
3 the municipality.

4 * Sec. 7. AS 29.45.030(a)(6), 29.45.030(e) -- (i), 29.45.040, and 29.-
5 45.060(b) and (e) are repealed.

6 * Sec. 8. This Act applies to assessment years beginning after December
7 31, 1986.

8 * Sec. 9. AS 29.45.060(f), enacted in sec. 6 of this Act, is repealed.

9 * Sec. 10. Sections 1 -- 8 of this Act take effect immediately under
10 AS 01.10.070(c).

11 * Sec. 11. Section 9 of this Act takes effect January 1, 1995.