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Referred: Resources and Finance

6-1604A

BY SEN. COGHILL, Halford

1 IN THE SENATE

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SENATE BILL NO. 391

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IN THE LEGISLATURE OF THE STATE OF ALASKA

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SIXTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act relating to a farm use exemption from municipi-
7 pal taxation for agricultural land and greenhouses;
8 and providing for an effective date."

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

10 * Section 1. AS 29.45.060(a) is amended to read:

11 (a) Farm use land included in a farm unit and not dedicated or
12 being used for nonfarm purposes shall be assessed on the basis of full
13 and true value for farm use and may not be assessed as if subdivided
14 or used for some other nonfarm purpose. A farm use greenhouse, wheth-
15 er classified as real or personal property for municipal tax purposes,
16 shall be assessed on the basis of full and true value for farm use.

17 The assessor shall maintain records valuing the land or greenhouse for
18 both full and true value and farm use value. If the land or green-
19 house is sold, leased, or otherwise disposed of for uses incompatible
20 with farm use or converted to a use incompatible with farm use by the
21 owner, the owner is liable to pay an amount equal to the additional
22 tax at the current mill levy together with eight percent interest for
23 the preceding seven years, as though the land or greenhouse had not
24 been assessed for farm use purposes. Payment by the owner shall be
25 made to the state to the extent of its reimbursement for revenue loss
26 under (e) of this section for the preceding seven years. The balance
27 of the payment shall be made to the municipality.

28 * Sec. 2. AS 29.45.060(b) is amended to read:

29 (b) An owner of farm use land or a farm use greenhouse must, to

1 secure the assessment under this section, apply to the assessor before
2 May 15 of each year in which the assessment is desired. The applica-
3 tion shall be made upon forms prescribed by the state assessor for the
4 use of the local assessor, and shall include information that may
5 reasonably be required to determine the entitlement of the applicant.
6 If the land or greenhouse is leased for farm use purposes, the appli-
7 cant shall furnish to the assessor a copy of the lease bearing the
8 signatures of both lessee and lessor along with the completed applica-
9 tion. The applicant shall furnish the assessor a copy of the lease
10 covering the period for which the exemption is requested.

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

12 (c) In this section "farm use" means the use of land or a green-
13 house for profit for raising [AND HARVESTING] crops or ornamental
14 plants, for the feeding, breeding, and management of livestock, for
15 dairying, or another agricultural use, or any combination of these.
16 The [TO BE FARM USE LAND, THE] owner or lessee must be actively
17 engaged in farming the land, and derive at least 10 percent of yearly
18 gross income from the land, or the owner or lessee must derive at
19 least 10 percent of yearly gross income from the greenhouse or from
20 the greenhouse together with other farm use greenhouses or land. This
21 section does not apply to land for which the owner has granted, and
22 has outstanding, a lease or option to buy the surface rights. A
23 property owner wishing to file for farm use classification having no
24 history of farm-related income may submit a declaration of intent at
25 the time of filing the application with the assessor setting out the
26 intended use of the land or greenhouse and the anticipated percentage
27 of income. An applicant using this procedure shall file with the
28 assessor before February 1 of the following year a notarized statement
29 of the percentage of gross income attributable to the land or

- 1 greenhouse. Failure to make the filing required in this subsection
2 forfeits the exemption.
3 * Sec. 4. This Act takes effect January 1, 1991.