

CS FOR HOUSE BILL NO. 66(HES)  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
EIGHTEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

Offered: 3/2/93  
Referred: Finance

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to an exemption from and deferral of municipal property taxes  
2 for certain primary residences, to property tax equivalency payments for certain  
3 residents, to the determination of full and true value of taxable property in a  
4 municipality; and providing for an effective date."

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

6 \* Section 1. AS 14.17.140(a) is amended to read:

7 (a) To determine the amount of local effort under AS 14.17.025 and to aid the  
8 department and the legislature in planning, the Department of Community and  
9 Regional Affairs, in consultation with the assessor for each district, shall determine the  
10 full value of the taxable real and personal property in each city or borough district.  
11 If there is no local assessor or current local assessment for a district, then the  
12 Department of Community and Regional Affairs shall make the determination of full  
13 value from information available. In making the determination, the Department of  
14 Community and Regional Affairs shall be guided by AS 29.45.110. However, the

1 value of property exempted under AS 29.45.052 may not be included in the  
2 determination. The determination of full value shall be made by October 1 and sent  
3 by certified mail, return receipt requested, on or before that date to the president of the  
4 school board in each district. Duplicate copies shall be sent to the commissioner. The  
5 governing body of a borough or city that is a school district may obtain judicial review  
6 of the determination. The superior court may modify the determination of the  
7 Department of Community and Regional Affairs only upon a finding of abuse of  
8 discretion or upon a finding that there is no substantial evidence to support the  
9 determination.

10 \* Sec. 2. AS 29.45.030(h) is amended to read:

11 (h) Nothing [EXCEPT AS PROVIDED IN (g) OF THIS SECTION,  
12 NOTHING] in (j) [(e) - (j)] of this section affects similar exemptions from property  
13 taxes granted by a municipality on September 10, 1972, or prevents a municipality  
14 from granting similar exemptions by ordinance as provided in AS 29.45.050.

15 \* Sec. 3. AS 29.45.030(k) is amended to read:

16 (k) The department shall adopt regulations to implement the provisions of [(g)  
17 AND] (j) of this section.

18 \* Sec. 4. AS 29.45 is amended by adding new sections to read:

19 Sec. 29.45.052. OPTIONAL EXEMPTION FOR CERTAIN RESIDENCES.

20 (a) The real property owned and occupied as the primary residence and permanent  
21 place of abode by a resident of the state who is (1) 65 years of age or older; (2) a  
22 disabled veteran; or (3) at least 60 years old and the widow or widower of a person  
23 who qualified for an exemption under former AS 29.45.030(e) or under (1) or (2) of  
24 this section, may be exempted by ordinance from taxation on the first \$150,000 of the  
25 assessed value of the real property. A municipality may, in case of hardship, provide  
26 for exemption beyond the first \$150,000 of assessed value. Only one exemption may  
27 be granted for the same property and, if two or more persons are eligible for an  
28 exemption for the same property, the parties shall decide between or among themselves  
29 who is to receive the benefit of the exemption. Real property may not be exempted  
30 under this subsection if the assessor determines, after notice and hearing to the parties,  
31 that the property was conveyed to the applicant primarily for the purpose of obtaining

1 the exemption. The determination of the assessor may be appealed under  
2 AS 44.62.560 - 44.62.570.

3 (b) An exemption may not be granted under (a) of this section except upon  
4 written application for the exemption. The claimant must file the application no later  
5 than January 15, or a date provided by ordinance that is not later than March 31, of  
6 the assessment year for which the exemption is sought. The governing body of the  
7 municipality for good cause shown may waive during a year the claimant's failure to  
8 make timely application for exemption for that year and authorize the assessor to  
9 accept the application as if timely filed. The claimant must file a separate application  
10 for each assessment year in which the exemption is sought. If an application is filed  
11 within the required time and is approved by the assessor, the assessor shall allow an  
12 exemption in accordance with the provisions of this section. If a failure to file by  
13 January 15, or a date provided by ordinance that is not later than March 31, of the  
14 assessment year has been waived as provided in this subsection and the application for  
15 exemption is approved, the amount of tax that the claimant has already paid for the  
16 assessment year for the property exempted shall be refunded to the claimant. The  
17 assessor shall require proof in the form the assessor considers necessary of the right  
18 to and amount of an exemption claimed under (a) of this section. The assessor may  
19 require proof under this section at any time.

20 (c) In this section,

21 (1) "disabled veteran" means a disabled person separated from the  
22 military service of the United States under a condition that is not dishonorable, whose  
23 disability was incurred or aggravated in the line of duty in the military service of the  
24 United States, and whose disability has been rated as 50 percent or more by the branch  
25 of service in which that person served or by the Department of Veterans' Affairs;

26 (2) "real property" includes mobile homes, whether classified as real  
27 or personal property for municipal tax purposes.

28 Sec. 29.45.054. OPTIONAL DEFERRAL FOR CERTAIN RESIDENCES. (a)  
29 Payment of taxes on the first \$150,000 of the assessed value of real property may be  
30 deferred by ordinance if the property is owned and occupied as the primary residence  
31 and permanent place of abode by a resident of the state who is (1) 65 years of age or

1 older; (2) a disabled veteran; or (3) at least 60 years old and the widow or widower  
2 of an individual who qualified for an exemption under former AS 29.45.030(e) or for  
3 a deferral under (1) or (2) of this section. The taxes become due when the property  
4 ceases to be owned by the resident who qualified for the deferral or the spouse if the  
5 spouse also qualified for a deferral. A municipality may, in case of hardship, provide  
6 for deferral of payment of taxes beyond the first \$150,000 of assessed value. A  
7 municipality may charge interest not to exceed five percent a year upon taxes deferred  
8 under this section. The accumulated interest may be collected only after the deferral  
9 has ended and the taxes become due. Only one deferral may be granted for the same  
10 property and, if two or more persons are eligible for a deferral for the same property,  
11 the parties shall decide between or among themselves who is to receive the benefit of  
12 the deferral. Payment of taxes may not be deferred under this subsection if the  
13 assessor determines, after notice and hearing to the parties, that the property was  
14 conveyed to the applicant primarily for the purpose of obtaining the deferral. The  
15 determination of the assessor may be appealed under AS 44.62.560 - 44.62.570.

16 (b) A deferral may not be granted under (a) of this section except upon written  
17 application for the deferral. The claimant must file the application no later than  
18 January 15, or a date provided by ordinance that is not later than March 31, of the  
19 assessment year for which the deferral is sought. The governing body of the  
20 municipality for good cause shown may waive during a year the claimant's failure to  
21 make timely application for deferral for that year and authorize the assessor to accept  
22 the application as if timely filed. The claimant must file a separate application for  
23 each assessment year in which the deferral is sought. If an application is filed within  
24 the required time and is approved by the assessor, the assessor shall allow the deferral  
25 in accordance with the provisions of this section. If a failure to file by January 15, or  
26 a date provided by ordinance that is not later than March 31, of the assessment year  
27 has been waived as provided in this subsection and the application for deferral is  
28 approved, the amount of tax that the claimant has already paid for the assessment year  
29 for the property shall be refunded to the claimant. The assessor shall require proof in  
30 the form the assessor considers necessary of the right to and amount of a deferral  
31 claimed under (a) of this section. The assessor may require proof under this section

1 at any time.

2 (c) In this section,

3 (1) "disabled veteran" means a disabled person separated from the  
4 military service of the United States under a condition that is not dishonorable, whose  
5 disability was incurred or aggravated in the line of duty in the military service of the  
6 United States, and whose disability has been rated as 50 percent or more by the branch  
7 of service in which that person served or by the Department of Veterans' Affairs;

8 (2) "real property" includes mobile homes, whether classified as real  
9 or personal property for municipal tax purposes.

10 \* Sec. 5. AS 29.45.030(a)(6), 29.45.030(e), 29.45.030(f), 29.45.030(g), 29.45.030(i),  
11 29.45.040, and 29.45.050(i) are repealed.

12 \* Sec. 6. This Act is retroactive to January 1, 1993.

13 \* Sec. 7. This Act takes effect immediately under AS 01.10.070(c).