

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

BY THE HOUSE FINANCE COMMITTEE

Amended: 4/2/93  
Offered: 3/26/93

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 subsection, may by ordinance be exempted from taxation on all or part of the  
25 assessed value of the real property. The exemption may be based upon economic  
26 hardship as provided in the ordinance. Only one exemption may be granted to a  
27 qualified resident for one property annually. If two or more persons are eligible for  
28 an exemption for the same property, the parties shall decide between or among  
29 themselves who is to receive the benefit of the exemption. Real property may not be  
30 exempted under this section if the assessor determines, after notice and hearing to the  
31 parties, that the property was conveyed to the applicant primarily for the purpose of

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

3 (b) In this section,

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

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

11 Sec. 29.45.054. OPTIONAL DEFERRAL FOR CERTAIN RESIDENCES. (a)  
12 Payment of taxes on all or part of the assessed value of real property may be deferred  
13 by ordinance if the property is owned and occupied as the primary residence and  
14 permanent place of abode by a resident of the state who is (1) 65 years of age or  
15 older; (2) a disabled veteran; or (3) at least 60 years old and the widow or widower  
16 of an individual who qualified for an exemption under former AS 29.45.030(e) or for  
17 a deferral under (1) or (2) of this subsection. The deferral may be based upon  
18 economic hardship as provided in the ordinance. The taxes become due when the  
19 property ceases to be owned by the resident who qualified for the deferral or the  
20 spouse if the spouse also qualified for a deferral. A municipality may not charge  
21 interest upon taxes deferred under this section for the deferral period. Only one  
22 deferral may be granted to a qualified resident for one property annually. If two or  
23 more persons are eligible for a deferral for the same property, the parties shall decide  
24 between or among themselves who is to receive the benefit of the deferral. Payment  
25 of taxes may not be deferred under this section if the assessor determines, after notice  
26 and hearing to the parties, that the property was conveyed to the applicant primarily  
27 for the purpose of obtaining the deferral. The determination of the assessor may be  
28 appealed under AS 44.62.560 - 44.62.570.

29 (b) In this section,

30 (1) "disabled veteran" means a disabled person separated from the  
31 military service of the United States under a condition that is not dishonorable, whose

1           disability was incurred or aggravated in the line of duty in the military service of the  
2           United States, and whose disability has been rated as 50 percent or more by the branch  
3           of service in which that person served or by the Department of Veterans' Affairs;

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

6       \* Sec. 5. AS 29.45.030(a)(6), 29.45.030(e), 29.45.030(f), 29.45.030(g), 29.45.030(i),  
7       29.45.040, and 29.45.050(i) are repealed.

8       \* Sec. 6. This Act takes effect January 1, 1994.