

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

BY THE SENATE FINANCE COMMITTEE

Offered: 4/26/93
Referred: RULES

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

A BILL

FOR AN ACT ENTITLED

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

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

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

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

1 value from information available. In making the determination, the Department of
2 Community and Regional Affairs shall be guided by AS 29.45.110. However, the
3 value of property exempted under AS 29.45.052 may not be included in the
4 determination. The determination of full value shall be made by October 1 and sent
5 by certified mail, return receipt requested, on or before that date to the president of the
6 school board in each district. Duplicate copies shall be sent to the commissioner. The
7 governing body of a borough or city that is a school district may obtain judicial review
8 of the determination. The superior court may modify the determination of the
9 Department of Community and Regional Affairs only upon a finding of abuse of
10 discretion or upon a finding that there is no substantial evidence to support the
11 determination.

12 * Sec. 2. AS 29.45.030(e) is amended to read:

13 (e) The real property owned and occupied as the primary residence and
14 permanent place of abode by a resident who is (1) a [RESIDENT 65 YEARS OF
15 AGE OR OLDER; (2)] disabled veteran; or (2) [(3) RESIDENT] at least 60 years old
16 and [WHO IS] the widow or widower of a person who qualified for an exemption
17 under (1) [OR (2)] of this subsection, is exempt from taxation on the first \$150,000
18 of the assessed value of the real property. A municipality may, in case of hardship,
19 provide for exemption beyond the first \$150,000 of assessed value in accordance with
20 regulations of the department. Only one exemption may be granted for the same
21 property and, if two or more persons are eligible for an exemption for the same
22 property, the parties shall decide between or among themselves who is to receive the
23 benefit of the exemption. Real property may not be exempted under this subsection
24 if the assessor determines, after notice and hearing to the parties, that the property was
25 conveyed to the applicant primarily for the purpose of obtaining the exemption. The
26 determination of the assessor may be appealed under AS 44.62.560 - 44.62.570.

27 * Sec. 3. AS 29.45.040(a) is amended to read:

28 (a) A resident of the state who rents a permanent place of abode is eligible for
29 a tax equivalency payment from the state through the department if the resident is:
30 (1) [AT LEAST 65 YEARS OLD;
31 (2)] a disabled veteran; or

1 (2) [(3)] at least 60 years old and the widow or widower of a person
2 who was eligible for payment under (1) [OR (2)] of this subsection.

3 * Sec. 4. AS 29.45.040(d) is amended to read:

4 (d) If two or more persons occupy a residence as tenants, not all of whom are
5 eligible for a tax equivalency payment under this section, the assessor shall determine
6 equitable partial payments to be made to the eligible tenants. However, a tax
7 equivalency payment to an eligible applicant may not be reduced because the spouse
8 [IS LESS THAN 65 YEARS OF AGE OR] is not a disabled veteran. If all occupants
9 in a residence are eligible for a tax equivalency payment under this section, the
10 occupants shall decide between and among themselves who [WHICH] shall receive
11 payment.

12 * Sec. 5. AS 29.45.050(i) is amended to read:

13 (i) A municipality may by ordinance approved by the voters exempt from
14 taxation the assessed value that exceeds \$150,000 of real property owned and occupied
15 as a permanent place of abode by a resident who is

16 (1) [65 YEARS OF AGE OR OLDER;

17 (2)] a disabled veteran, including a person who was disabled in the line
18 of duty while serving in the Alaska Territorial Guard; or

19 (2) [(3)] at least 60 years old and a widow or widower of a person who
20 qualified for an exemption under (1) [OR (2)] of this subsection.

21 * Sec. 6. AS 29.45 is amended by adding new sections to read:

22 Sec. 29.45.052. OPTIONAL EXEMPTION FOR CERTAIN RESIDENCES.

23 (a) The real property owned and occupied as the primary residence and permanent
24 place of abode by a resident of the state who is (1) 65 years of age or older; or (2) at
25 least 60 years old and the widow or widower of a person who qualified for an
26 exemption under former AS 29.45.030(e)(1) before the effective date of this Act or
27 under (1) of this subsection, is exempt from taxation on the first \$150,000 of assessed
28 value unless the municipality by ordinance rejects this exemption.

29 (b) If the municipality rejects the exemption under (a) of this section, the
30 municipality may by ordinance exempt from taxation all or part of the assessed value
31 of the real property described in (a) of this section. The exemption under this

1 subsection may be based upon economic hardship as provided in the ordinance.

2 (c) Only one exemption may be granted under (a) or (b) of this section to a
3 qualified resident for one property annually. If two or more persons are eligible for
4 an exemption for the same property, the parties shall decide between or among
5 themselves who is to receive the benefit of the exemption. Real property may not be
6 exempted under this section if the assessor determines, after notice and hearing to the
7 parties, that the property was conveyed to the applicant primarily for the purpose of
8 obtaining the exemption. The determination of the assessor may be appealed under
9 AS 44.62.560 - 44.62.570.

10 (d) In this section, "real property" includes mobile homes, whether classified
11 as real or personal property for municipal tax purposes.

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

30 (b) In this section, "real property" includes mobile homes, whether classified
31 as real or personal property for municipal tax purposes.

1 * Sec. 7. This Act takes effect January 1, 1994.