

The Legislature of the State of Alaska
FISCAL NOTE

First Session - Ninth Legislature

I. REQUEST

Bill No. HB 168 SB 218

Title: Property tax reimbursement payments to a Senior Citizen who rents

Requested by: House HESS/Senate C&RA Date: February 12, 1975

Return Date Requested: _____

Agency: Community & Regional Affairs Program: Social Services

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Senior Citizens Property Tax Exemptions

A. EXPENDITURES: (Thousands of dollars)

| OBJECT | FY 75 | FY 76 | FY 77 | FY 78 | FY 79 | FY 80 |
|--------------------------|-------|-------|-------|-------|-------|-------|
| 100 PERSONAL SERVICES | | 37.7 | 30.6 | | | |
| 200 TRAVEL | | 6.0 | 6.3 | | | |
| 300 CONTRACTUAL | | 5.0 | 4.8 | | | |
| 400 COMMODITIES | | 3 | 3 | | | |
| 500 EQUIPMENT | | 2.1 | | | | |
| 600 LAND & STRUCTURES | | | | | | |
| 700 GRANTS, CLAIMS, ETC. | | | 620.4 | | | |
| TOTAL | | 51.1 | 671.4 | | | |

B. FUNDING: (Thousands of dollars)

| | | | | | | |
|---------------|--|------|-------|--|--|--|
| GENERAL FUND | | 51.1 | 671.4 | | | |
| FEDERAL FUNDS | | | | | | |
| OTHER | | | | | | |

C. POSITIONS:

| | | | | | | |
|---------------------|---|------|------|---|---|---|
| PERMANENT/TEMPORARY | / | 2 / | 2 / | / | / | / |
| MAN MONTHS (P./T.) | / | 24 / | 24 / | / | / | / |

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

ASSUMPTIONS

- 1.) Statewide population in 1976 will approximate 365,000.
- 2.) The increase in property values or average tax per application of 11% will continue for the next few years.
- 3.) Residential property owned by the Senior Citizen is generally of a higher quality than can be afforded by a tenant. To reflect this difference, a 25% discount in average tax per application is used for tenant occupied housing.

IV. ATTACHMENTS

ANALYSIS

V. DATE: February 19, 1975

PREPARED BY: Robert Dozier

Robert Dozier, State Assessor
Local Government Assistance Division

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

The 1970 census indicated that 1.3% of the State population are Senior Citizen "Heads of Households". By deducting the projected number of Senior Citizen property owner in 1976, leaves a balance of 1,995 Senior Citizens to whom the benefits of this program would be extended under this bill. The projected average reimbursement per participant in 1976, discounted by 25% (assumption #3) equals \$311.

$$1,995 \times \$311 = \$620,445$$

The bill places the responsibility for administering this portion of the Tax Exemption program on the Department which includes verifying applications and determining the tax attributable to exemption for a Senior Citizen living in a multi-purpose building, condominium, duplex or apartment. This will require the services of an appraiser who will also develop regulations, prepare the necessary application forms, and instruction manual. The incumbent will travel to municipalities where Senior Citizens apply for rental exemption for the purposes of examining the tax roles and actual field appraisals. An existing research assistant position would be up-graded to a research analyst to take on the additional responsibilities of the initial screening process of applications, review of rental receipts upon submission and program follow-up through correspondence with landlords and tenant Senior Citizens. A Clerk Typist II position would provide clerical support.

The administrative costs are estimated at \$51,106 and are detailed as follows:

Personal Services

| | | |
|---|--------------|----------|
| Appraiser III (Range 19) | \$20,136 | |
| Clerk Typist II (Range 7) | 9,192 | |
| Up-grade Research Assistant to Research Analyst (Range 10 to 13) | 2,652 | |
| Benefits @ 18% | <u>5,756</u> | \$37,736 |

Travel

| | | |
|---|--|----------|
| Review of assessment roles and field inspection of multi-purpose and multi-resident buildings | | \$ 6,000 |
|---|--|----------|

Contractual

| | | |
|--|------------|----------|
| Telephone and long distance | \$ 1,600 | |
| Postage | 500 | |
| Printing and advertising - hearing notices, application forms and manual | 1,500 | |
| Office Rent - 150 sq.ft. @ .50/sq./ft. | 900 | |
| Machine Rental and Xerox | <u>500</u> | \$ 5,000 |

Commodities

| | | |
|---|--|--------|
| Reference materials and office supplies | | \$ 300 |
|---|--|--------|

Equipment

| | | |
|----------------------|------------|------------------------|
| Executive desk | \$ 270 | |
| Secretarial desk | 300 | |
| Two chairs | 190 | |
| Typewriter | 570 | |
| Calculator | 600 | |
| Filing Cabinet | <u>140</u> | |
| | | <u>\$ 2,070</u> |
| Total Administrative | | <u><u>\$51,106</u></u> |

The State Assessor is available to provide any additional information or discuss alternative proposals.